

LOMBARD

Giving voice to a bad abuse

BY SAMUEL BRITTON

HOW WOULD YOU like to find a notice telling you that unless your telephone bill is paid within seven days, we shall be obliged to disconnect your telephone. Should you pay after that, there may be some delay before your line can be reconnected and you will be charged a reconnection fee. You would remain liable for the amount due during the period of disconnection.

Notices

Obviously the Post Office cannot grant indefinite credit. But these "final notices" or threats to disconnect your telephone without any prior warning about non-payment is a departure from the normal procedure for a certain period to suspend a customer's account. But can you imagine a threat being put into operation without a polite reminder first and in the case of the better served customer an attempt to contact the customer?

All this is bad enough. But when a threat of disconnection is made, as it was in my case, nine days after my bill had been paid—and paid with some promptness—this is a clear case of abuse of the monopoly power. The combination of bullying and incompetence is particularly intolerable. The customer is threatened with major personal inconvenience if there has been a minor oversight on his part. But the Post Office cannot get away with such overights, it can "punish" the customer for them.

My own telephone bill was sent out from the computer centre on July 20, according to the London telephone "Finance" section. The earliest I could have received it was July 21. My cheque was sent on August 7—a delay of just over two weeks. According to the Controller, the payment was "processed" by the computer on August 12, too late to prevent the "final notice" containing the threat from being sent on August 15.

I wanted to telephone to say that I had paid. But no number appeared on the notice, although later I learned that a telephone number (01-734 8422) lay concealed within the cryptic reference "0017348422".

The invitation to disregard the notice if I had paid within 10 days was of little consolation. There could have been an oversight on the part of the Post

GARDENS TO-DAY

What to expect on a warm, wet and acid soil

BY ROBIN LANE FOX

VISITING THE coastal gardens of North Wales, I can see why Dutch Elm disease has not eaten the country in a week of national mourning. The trees have been packed up wherever they lean forwards in a Wordsworthian way out of the large boulders on steep banks, missing the rains, I suspect, which would usually have kept them upright. The autumn gales are too late to revive them. But elsewhere, all is green and leafy. There are oak woods without the patronage of large and provident landowners. They are willows, chestnuts and silver poplars and not a single dead elm in sight. Too many saplings compete for the light. Holm-oaks soon out-grow humans and from time to time there are truly awesome planes.

Nonetheless, I would not wish to move my garden onto this warm, wet, acid soil. There would be azaleas, camellias and rhododendrons. I would be excited by Pieris Wakehurst Variety and especially by Embodiment in the North Wales Valley. These are plants which you can see at once if you live in these conditions and are without it. Pottery of Woodbridge, Suffolk, supply good plants of it and point out, aptly, that it could be grown against a wall. In late March it is covered in bright flame-orange flowers, like a perfect lar honey-suckle. Allow about seven feet upwards and five feet across and hope that you are not blown back by cold spring winds.

Shaded

It is one of the most marvelous of the shrubs from Chile which reached the favoured British gardens through skilled collectors earlier in the century. I have never seen it in a London garden but often think that it might thrive there against a wall. It must have soil without any lime, so mix masses of garden peat into the bed in which you plant it. It likes to be damp and actually prefers to be shaded in an eastern or northern aspect. I have a vision of North Wales Valley, somewhere far beyond the last blue mountain, red with this Chilean Firebush as you emerge into it from mosses and the sort of snakes which hang from trees. Carry on in Chelsea and give this Embodiment a go in S.W.E.

What, though, about August and autumn in a mild and acid garden? There are purplish you reply, and indeed they are very exciting to those of us who shelter them and coax them in special peatbeds to a height of five or six feet before they flower. But when you see them as 20 foot trees, grown naturally beside hotels, you wonder, really, whether they are so special when they are happy. Their white flowers shade into grey-white against the evergreen background. They are abundant that the eye almost takes them for granted, and there is none of the scent of the clearer and brighter mock orange blossom whose flowers are not dissimilar. They are, however, not brighten an August in a natural garden of azaleas.

The hydrangeas is more promising, and nowhere, not even on a racecourse, can there be more opulent mop-head hydrangeas than on a coast within reach of the gulf stream. They are so artificial that they need, I think, to be carefully placed where the garden, too, is enclosed and contrived. Three or four go a long way in such a site and of all of them, I would still put the white Maidenhead. The most lovely soil, which you can see above the wall, is pink and blue. Pruning of these mop-heads can puzzle their owners. By and large, whatever you do to them, you should do in spring when the frost has moderated. The removal of the previous autumn's brown heads of dead flowers. These are a protection if you leave them, for we do not always remember that dead-heading is only a variety of pruning. If you live on a light well drained soil, you will be lucky to grow those mop-heads well. Any watering or feeding with liquid manure will be rewarded. Their results vary widely with their conditions.

Emulate

I have, however, seen a hydrangea grown in an unexpected way which I intend to emulate. Small trees or tall shrubs, which flower impressively in late summer are a natural gap in our gardens. They are often thought of as a semi-standard tree? It does not mean a mop-head nor a lace-cap but the neglected wild Hydrangea paniculata Grandiflora. If you see them anywhere, it is usually a six foot high shrub whose thin stems end in long plumes of cream-white flowers, like a coarse black. But

it has also been sold, I now see, as a semi-standard, grafted onto a stock so that it will grow up into a broad-headed tree some nine feet tall. It flowers abundantly at this height and is extremely enviable.

Happiest

There are many possibilities with shrubs grown as semi-standards. At this season, the buddleia is a rather interesting choice for a slightly formal setting. Take a good one, like the grey leaved and lavender flowered Fallowiana Lochinch. Cut off all side shoots until, after a year or so, you have a trunk clear above the ground, three feet or so high. Then allow it to spread as usual, trimming it back hard in late April every year. If you do not allow the top branches to become too thick, you will end up with a remarkable "tree" in a late summer garden. Some years ago I planted a group of such buddleias in a formal walled garden round an enterprising owner's swimming pool. Well pruned and thinned, they are now a remarkable sight in high summer, sheltered from the wind and alive with butterflies which love the sticky scent on their long flowers.

Buddleias, however, do not require a garden on a warm coast. They are plants for those of us on lime inland, like the pinks, gypsophila and early Michaelmas daisies, the hoberias, evening primrose, shrub roses, phlox and agapanthus which are happiest in such dry and alkaline conditions. The dry balance and in late May, the high season for agapanthus, the gardeners have it every time. But not even a tree hydrangea can quite make up for the relative dullness of a favoured early garden when the shrubs are out of flower in late summer and autumn.

RACING

BY DOMINIC WIGAN

Injection looks set for Beverley win

INJECTION, who followed up three second-place efforts by running a close third behind the trainer William Hastings-Bass, saw his Verbatim gelding Now Cresta at Warwick last time out. Here this, fall by the minimum

On his previous trip to the young Newmarket, William Hastings-Bass saw his Verbatim gelding Now Cresta at Warwick last time out. Here this, fall by the minimum

Half an hour before the Wilbury Stakes it will be interesting to see if Mick Easterby can follow up his success last year with Lazenby in the Raffinora Sprint. This time he is represented by Zoroaster. Although he has chances, he is considered on some of his early form Zoroaster, a strong grey son of Zeddan, has consistently failed to impress since defeating Peranka at Doncaster in the spring. I would not care to support him until he shows signs of returning to form. Better proposition seems to be the course and distance winner Jameson, who bids for the fifth success of his career this afternoon.

Although Bryon, a highly raced stablemate to Now Cresta, showed enough promise when with Peter Walwyn last term to suggest that a race such as the 15-mile Hyde Park Stakes might be within her compass. She has not been out for some time and I prefer the chance of Military March. This half-bred by hitherto disappointing sire Brigadier Gerard to Zibion ran well enough when seen behind Place Pot at Goodwood last time out to suggest that race such as this would suit her. I expect to see the Weasley filly record a comfortable success over Pops. Love appeared singularly unenthusiastic to me when going down Doncaster on Friday.

With the highly popular Arbusto a surprising absentee from Yarmouth's Mumma Stakes, I believe the way will be clear for Fast Colour to record a comfortable success. This 3-year-old colt's two-length Big Champion Two-year-old Prix victory over Ludstone may be a very smart display following the latter's third-placed behind Music Maestro in the Flying Childers Stakes. Fast Colour, the mount Lester Piggott—who got home by a short head at market in July—is given a decent vote.

Radio Scotland head appointed

MR. JOHN PICKLES has been appointed to the new post of Head of BBC Radio Scotland. He will join BBC Scotland in the late autumn and will be responsible for doubling radio output in Scotland within a year. He will also take charge of the new Broadcasting Centre in Edinburgh when it is commissioned in 1980-81.

He is married to radio journalist Anne Brown, who used to present BBC Scotland's "Twelve Noon". The expansion of Radio Scotland is projected for the autumn of 1978, to take effect when a recent international agreement on radio frequencies comes into force. At that time the basic U.K. Radio 4 service and Scotland will become separate channels, each with its own transmitters in Scotland. Output by Radio Scotland is expected to increase from 30 hours a week by the end of 1978 and to increase further to 120 hours a week by 1980.

TV series cost £1m

WHEN THE BBC asked Ronald Eyre to make The Long Search it turned out to be just that. The series of programmes took four years, he travelled 150,000 miles in 20 countries, and it cost nearly £1m. The result is a series of 13 programmes starting on BBC2 next week, which follow Mr. Eyre's quest for the truth about the Long Search. The Long Search has been made by the BBC as a co-production with Time-Life Film New York, and with R.M. Productions of Munich. The film will be shared between three.

Mr. Eyre, a theatrical and writer, describes the programmes as a series of "quests". He hopes they will be people food for thought.

TV/Radio

Table with TV and Radio programmes for various regions including BBC 1, BBC 2, and regional channels like S4C, ITV, and STV.

F.T. CROSSWORD PUZZLE No. 3,466

Crossword puzzle grid with numbers 1-25 indicating starting positions for clues.

- ACROSS
1 Show there's a record to forfeit (8)
2 Is call diverted to plant? (6)
3 Understood it was picked up (8)
4 Domestic soldiers all badly (6)
5 Composer takes right off at end of meal (5)
6 Summoned from bed though tired (7, 2)
7 Anger at endless infectious disease (6)
8 Young animal always allowed outside (7)
9 Instil into one member the French part of Bible (7)
10 Frank has to manage (6)
11 Refuge from cat in Cornwall (8)
12 Roman conspirator caught like accountant (5)
13 People with super jobs in Hollywood (6)
14 Through catalogue was made by dreamer (8)
15 Walk out of lucky find (6)
16 Fiendish reason Pole gives a student (8)
17 Summary to stomach successfully (6)
18 Start practising to organise store (5, 2, 4)
19 Story for example upset lord (5)
20 Tell-tale soft shoe (7)
21 Examine restraint concerning (5, 4)
22 ... man landed in Scotland (5)
23 Everybody on Ringway goes to orthodox doctor (8)
24 Head the number of votes recorded (4)
25 Letting arrangement with student relax (5, 4)
26 Slump over—giving up? (9)
27 Company on point of formalising resolution (8)
28 Katsup also takes pound (4)
29 Kind of China housing thousands of Germans (7)
30 Vehicle permitted to upset combine (6)
31 Say it's complete (5)
32 150 are going to college (5)
33 SOLUTION TO PUZZLE No. 3,465
34 150 are going to college (5)
35 SOLUTION TO PUZZLE No. 3,465

Table with crossword puzzle solutions and clues for across and down words.

Advertisement for Palazzo Pitti, Florence, featuring a large image of the building and text describing its architectural development and the September issue of Apollo magazine.

Tendencies of the Twenties

by WILLIAM PACKER

Council of Europe's last Orangerie of the Charlottenberg art exhibition, "The Age of the Twenties," was held here in the autumn of 1972; with the heroic age of the School of Paris, with the emphasis on the individual achievement of the artist, Art History has been rather slow to recognise the true importance of the work of this period, which ramified so widely and inconspicuously abroad. But time makes it easier to take a broader view, and a great debt to the study of the art of the century: within its scope aspects of what we must want of a better term, an expansion of its second K affords in fact the kind

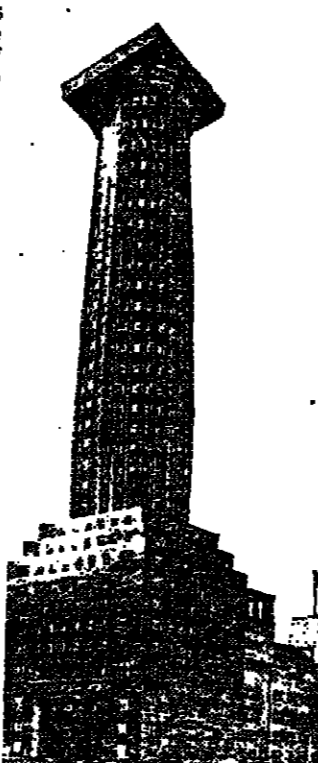
Such new-found excitement, and the freshness of the attitudes that go with it, are evident in all these shows. Everywhere is an abundance of documentation and social reference: it seems at times that the whole thing might just as well be called a social history of the Weimar Republic and the rise of Hitler. Constantly we are referred between the sections, often unexpectedly as new points are made in the argument, down the subject into and not always intentionally, I think, to the social and political context. The subject has the distinct and major uncomfortable and fascinatingly now spread across the categories devised for it. (For there are endless choices by different scholars to demonstrate things.) But scholarship is not the thing, and the inability of its water-tight compartments to do their duty is no disaster. The New most rewarding feature of these up short by remarkable, extra-ordinary, or beautiful things. The full title of Part One is "From Constructivism to Concrete Art," as comprehensive an aggregation of this material as

find the work again, quietly in different to all the fuss, it seems, and confronting us alone. Repeatedly the visitor is brought back to the work of the early 30s. First we are given the initial phase, up to 1918 or so, the foundations for this most theoretical and speculative of movements as they were had in separate European centres: Cubists in Paris, Futurists in Milan, Vorticists in London, Malevich in Russia, Mondrian in Holland. At the very start the debt to the immediately preceding movements, to the Secessionists and Art Nouveau, that place such importance on the interdependence, indeed their equality with the Arts, is tactfully, if too briefly acknowledged. But throughout these huge shows the same complaint may legitimately be made: which is perhaps an indication of their size and an indication of their debt to the past, and thus a kind of compliment.

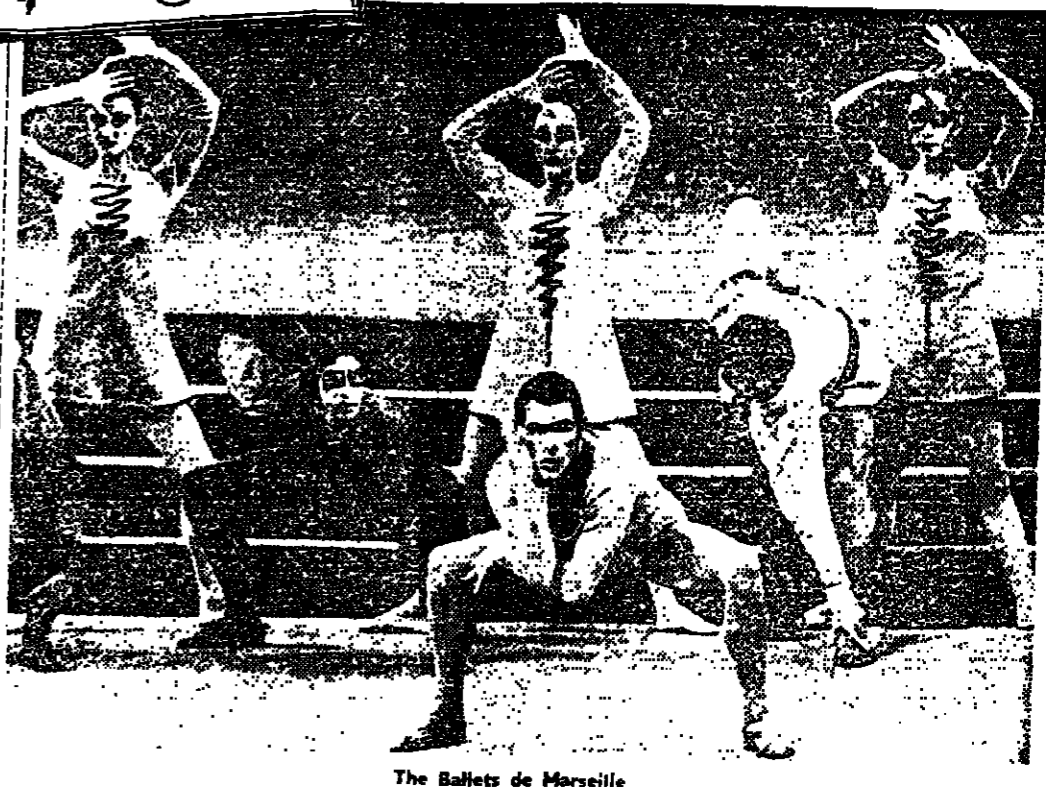
The second phase covers the art of the period of the Revolution in Russia and the post-war decade, and immediately we are taken deep into socio-history. Artists are often idealist and anxious to influence events, or at least to be one with them; and they attempted to broaden the scope of their work, not that the millennium had arrived. But the socially relevant art is a favourite utopian chimera, for is all ready to bile the avant-garde hand held out in independence. The wonderful burst of adventure, the brave new Russia, with so much high spirits to spike its consciousness, was snuffed out by the Party within the next few years, who feared such independence of spirit like the plague. Tatlin's concert of fac-

we are ever likely to see, taking us from the period just before the Great War through to the early 30s. First we are given the initial phase, up to 1918 or so, the foundations for this most theoretical and speculative of movements as they were had in separate European centres: Cubists in Paris, Futurists in Milan, Vorticists in London, Malevich in Russia, Mondrian in Holland. At the very start the debt to the immediately preceding movements, to the Secessionists and Art Nouveau, that place such importance on the interdependence, indeed their equality with the Arts, is tactfully, if too briefly acknowledged. But throughout these huge shows the same complaint may legitimately be made: which is perhaps an indication of their size and an indication of their debt to the past, and thus a kind of compliment.

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Adolf Loos: Plan for the Chicago Tribune Building, 1922.



The Ballets de Marseille

Notre-Dame de Paris

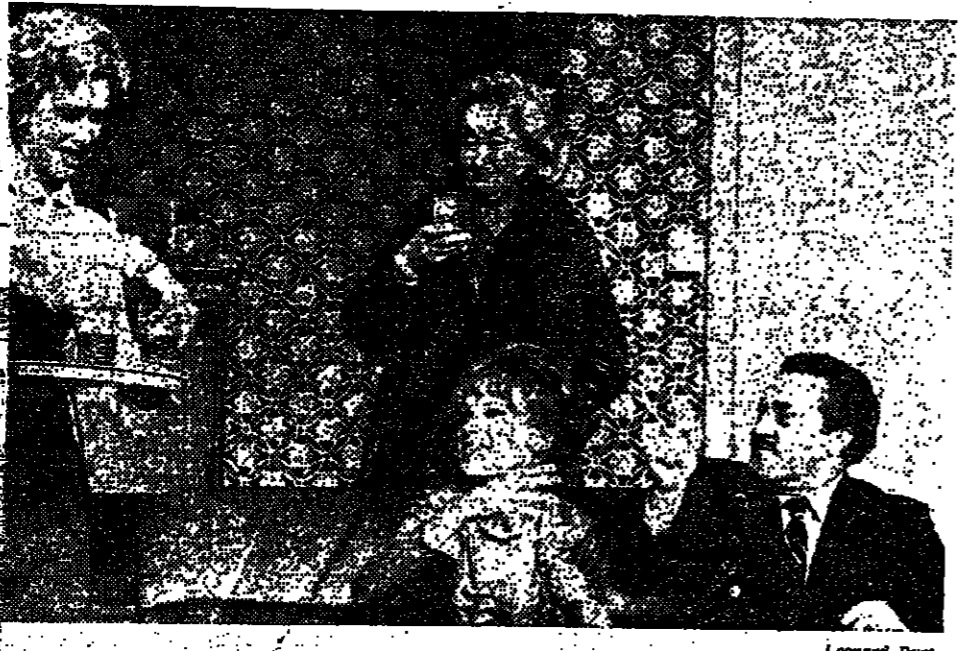
by CLEMENT CRISP

It was Jules Perrot who first saw the dance possibilities of Victor Hugo's novel *Notre-Dame de Paris*. His ballet, staged in 1844, was called *La Esmeralda*, and offered a ballerina role that was to invite great performers well into our present century. A new version simply called *Esmeralda*, during the Festival Ballet, during the 1950s, and proved totally unmemorable save, once again, for the ballerina role as tremendously danced by Toumanova. Roland Petit's production, receiving its first London performance by the Ballets de Marseille on Monday, adopts the novel's title, and here lies the crucial difference. Petit is less concerned with the gypsy girl, loved by Canon Frolo, lovingly by Quasimodo, and finally unjustly hanged — a lightning tour of the extraordinary scenes: Quasimodo's grotesque and brutalised by the fact that René Frollo by the great bell that dominates the action; Esmeralda, dreaming as Frolo straddles her body; Quasimodo's nightmare in which the core of the drama is struck.

Breezblock Park

by B. A. YOUNG

married couples in an announces that she is pregnant interval these are serious matters they are both offstage at the end



Wendy Geig, Eileen Kennally, Emma Jean Richards and Norman Rossington

Mr. Russell, who can turn a funny joke with the best, is not the first young writer to believe that he is throwing new light on the conflict between parents' standards and children's; nor is he the first to leave the problem untouched by his illumination of it. He is however, exceptional in allowing a really moving plea for the misbegotten adults in an interesting speech for Betty, who claims that an occasional bargain in the supermarket is all that keeps her from cutting her throat.

Silver Jubilee Concert

19th National Opera Grimes, sturdily shaped by celebrated the Silver Charles Groves — the Storm was in a concert very delicately ferocious — the orchestra, the usual programme by now assembled on stage, well-placed on comed Reginald Goodall to conduct the Dawn Music, the duet for Siegfried and Brünnhilde, Britten's arrangement and the Rhine Journey from Act I of the evening's *Die Walküre*, played I of *Turluchtig of the Gods*, the Prince of the Hunter were there to sing their usual roles.

Rituel

by MAX LOPPERT

A feature of all Pierre Boulez's compositions, is their immediacy the almost dramatic vividness with which even the most awesomely forbidding concepts have been imagined in sound. *Rituel*, the orchestral work written in memory of Bruno Maderna, and receiving its third London hearing at the Proms on Monday, retains all the aural fascination. Even though the Albert Hall acoustics caused the dominant group of gongs to blur passing details, individual touches still made a dazzling effect. A notable example was the writing for the third of the seven main groups of instruments, the three flutes occasionally heard skirling and fluttering in a mode of decorative ecstasies relating Boulez to so many of his Oriental predecessors.

The Entertainment Guide is on Page 32

Orchestra, (in the subordinate groupings of instruments playing along against percussion) and Varese's *Arcana* (in the disruptive, independent percussive outbursts rattling out in the final section). All three are works Boulez and the BBC Symphony Orchestra have often played superbly; so there was a background for Monday night's finely prepared, controlled and undertaken reading of *Rituel*.

Soho Poly News

Philip, in Brian Phelan's lunchtime play, has thrown up an executive position in industry in order to suffer keenly the world's disasters of famine, poverty and violence. Casting himself as his brother's keeper, he sits huddled in a sparsely furnished room worrying over whether (not what) to eat. His marriage finally breaks down when he tells his wife that he will not co-operate with her in bringing a baby into such a world as this. He agonises over a little warmth from a gas heater, blasting his shredded sensibilities with non-stop news items on radio and television.

Stravinsky, Bartok and Varese, might have made apt companions in this programme. Mahler's Seventh Symphony with its vast, grim, march-infested first movement, and its central three episodes of nocturnal fantasy and orchestra delicacy was also an imaginatively contrasted example of programme building — except that it struck a performance as dogged, raw and unfocused (from the orchestra) and prosaically dry and deadening (from the conductor) as that of *Rituel* had been the opposite of all those negative qualities. How is it possible to follow an experience as lucid affecting and beautiful as Boulez's own music can be at its best, with such an unearthing account of Mahler? And then just as one began to despair completely, the last movement of the symphony, one of the Mahler's most rumbustiously and sustained with real power and force. What an enigma Boulez remains!



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EUROPEAN NEWS

EEC approves 5% green krone devaluation

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Sept. 13.

BRITAIN today joined its EEC partners in approving a 5 per cent devaluation of the Danish green krone after Mr. John Silkin, the Agriculture Minister, won a promise from the European Commission to study proposals for changing the method of calculating Common Market subsidies on exports of pigs and pig products.

Mr. Silkin is seeking a cut in the level of subsidies, known as Monetary Compensatory Amounts (MCA), to 67 per cent of the EEC "base" price for pigmeat from 85 per cent at present. This would reduce the competitive advantage enjoyed by Danish exporters on the U.K. market, which has been threatened in Britain for contributing to the recent difficulties of domestic pig breeders.

Battle joined over Community Budget

BY ROBERT MAUTHNER

LUXEMBOURG, Sept. 13.

BATTLE WAS JOINED today for what promises to be a fierce — if familiar — tussle over the 1978 EEC Budget between an expansion-minded Commission and European Parliament, and parsimonious Council of Ministers.

In a powerful speech to the Parliament here, Mr. Roy Jenkins, the Commission's President, condemned the cuts of 782m. units of account (UA) inflicted on the original draft as "undiscriminating, illogical and unacceptable."

Every sign is that the two sides will reach a compromise later this year after Parliament has held its special session at the end of the month to examine the Council's proposals. These provide for overall commitments of 11.6bn.u.a., a figure 13 per cent higher than in 1977.

However, the deliberately political tone of Mr. Jenkins' remarks — which went even further than the vigorous criticism levelled at the Council earlier today by Mr. Christopher Tugendhat, the Budget Commissioner — leaves no doubt that the struggle will be tough.

The succession of individual MPs who spoke out against the Ministers made it crystal clear that the European Parliament would be fully backing the Commission in its efforts to restore as many of the cuts as possible.

Their basic complaint is that the Council with West Germany prominent, has laid the burden of the reduction on the Community's regional, social, energy and industrial spending, and left the allocation for the much-maligned common farm policy more or less intact.

Europe, Mr. Jenkins argued, badly needed a fresh impetus,

and the Parliament was not performing a mere exercise of accountancy but was debating proposals which might help the Commission to solve the real problems confronting them.

Instead, the Council had cut back on the very areas which affected employment and investment. The cost of agricultural support for 1978 remained higher than the Commission felt it either should or needed to be.

He went out of his way to dismiss suggestions that Brussels had cynically pitched its Budget demands high in the knowledge that it would finally extract from the Council around what it genuinely wanted.

A German Liberal MP, Herr Martin Bangemann, summed up the general mood by accusing the Commission of "a policy of defeatism and of being prisoners of the past."

Had it been possible to put down a censure motion against them, his group would have done so.

Among worst affected items under the revised proposals is the Regional Fund, which Mr. Tugendhat claimed today might generate up to 120,000 new jobs in the EEC's depressed areas.

Commitments for the Fund next October were sent back by the Council to 398m. u.a. from the 650m. u.a. asked for by the Commission.

The Belgian President of the Council, Mr. Mark Eyskens, the Budget Secretary, took a conciliatory line after his ordeal of five hours of virtually unrelenting attack by European MPs.

The two sides, he observed pointedly, were condemned to agree, and in any case the proposed overall increase in the Budget of 13 per cent was as good as in any member State — most of whom themselves were under pressure for fiscal restraint.



Princess Ashraf Pahlavi

SHAH OF IRAN'S TWIN SISTER ATTACKED IN SOUTH OF FRANCE Princess escapes assassination

THE SHAH OF IRAN'S twin sister, Princess Ashraf Pahlavi, escaped unharmed yesterday when would-be assassins ambushed her car as she returned to her villa in Juan-les-Pins on the French Riviera. Police said the gunmen killed a woman companion of Princess Ashraf, 57, in the 8 a.m. attack on the women as they were returning from a roulette game in Cannes at the Palm Beach casino.

A blue Peugeot 904 blocked the road near her villa, called Les Pieds dans l'Eau, forcing the Princess to reverse and stop. Four gunmen jumped out of the Peugeot and opened fire. Police said seven Colt 7.63 mm bullets tore into the Princess. Hit in the head and killed was Madame Feroz-Kayard, 63, an Iranian woman of French origin. She was sitting in the front passenger seat.

Police said that an Iranian businessman, who was described as the driver but not named, was wounded in the hand and arm. The gunman fled, abandoning their Peugeot, without number plates, a few miles away. A wide

hunt began, but the police said they had no clue to the assassins' motives or identity and said no-one in the Rolls-Royce could describe them or help establish why they were there. However, the police said they were treating the crime as politically motivated.

Princess Ashraf is said by commentators on Iranian affairs to wield political power. She is one of few people closely trusted by the Shah.

But the petite, attractive and always impeccably dressed Princess is best known abroad as a much-travelled diplomatist and ardent advocate of women's rights. She served as president of the U.N. Human Rights Commission, and grabbed the limelight at the U.N. Women's year conference in Mexico City in 1975 when she donated \$500,000 from her personal fortune to the cause of women's rights.

Princess Ashraf is said by commentators on Iranian affairs to wield political power. She is one of few people closely trusted by the Shah.

Last December Iran's cultural attaché at its Paris Embassy, Mr. Homayoun Keykavousi, was seriously wounded in a gun attack near his home. A group calling itself the Reza Reza I.B.'s claimed responsibility. Reza Reza was a leading Iranian Marxist killed in a gunfight with police in Teheran in June, 1973.

Richard Johns writes: The assassination attempt marks the first major attack on a prominent Iranian personality — presumably by underground dissident elements — outside the Shah's realm.

less to judge from the incidents reported. The urban guerrillas in Iran have been motivated by a confused doctrine combining Islamic and Marxist beliefs. The latter is not unlike that evolved by Colonel Muammer Gaddafi of Libya, which has been spread of backing the terrorist organisation with the exception of the Popular Front for the Liberation of Palestine (PFLP) led by Dr. George Habash.

The obscure underground movement with its confused structure is said to be linked with the outlawed Front Party, the neo-Communist organisation that provided much of the support for the deposed Shah. The list Dr. Mostafaez, who has seized effective power for the year, in addition to his own ever, there is a "Front" — the Front of Islamic Revolution.

Recruitment to the urban guerrilla movement has been largely from the student body and, in particular, from the Islamic Republic of Iran, who have been active in the assassination of the Shah.

Barre to sound out Carter on Concorde

BY ROBERT MAUTHNER

PARIS, Sept. 13.

M. RAYMOND BARRE, the French Prime Minister, will leave here tomorrow for a three-day visit to the U.S., during which he will press the French and British case for landing rights for Concorde at New York's Kennedy Airport.

The Prime Minister will be flying to Washington in Concorde to symbolise the great importance the French Government attaches to this problem, which President Giscard d'Estaing has said could lead to a deterioration

of which supersonic services could one day become profitable. Important as it is, the Concorde problem will be only one of many items on the agenda of the talks between M. Barre and President Carter and other leading members of the U.S. Administration, including the Secretary of State, Mr. Cyrus Vance.

French officials were at pains to stress today that it would not be given preference over such important matters as the world economic and trade situation, nuclear problems and the international energy outlook.

The U.S. President and M. Barre will review the whole range of problems discussed at the London economic summit of the seven major Western industrialised nations last May.

M. Barre will be given a first hand report on the U.S. economic situation by President Carter and other high U.S. officials and will exchange views on the prospects for the world economy during the coming months. The French Government, which is faced with a vital general election in the Spring of next year, is still hoping that a stimulus will be given to its own economy by the economically strong West Germany and Japan.

The French Prime Minister is expected, in particular, to voice the French Government's worries about the competition faced by the Western industrialised countries from low-wage producers in the Far East and to suggest a number of protective measures.

President Carter, for his part, will be expected to persuade the French Government to take even stricter measures than hitherto to ban the export to non-nuclear nations of nuclear equipment which can be used for the manufacture of atomic weapons.

Anglo-Italian talks on terrorism

BY DOMINICK J. COYLE

ROME, Sept. 13.

ANGLO-ITALIAN plans to combat terrorism as part of a concerted move by interior Ministers of the EEC are to be discussed here later this week by the British home secretary, Mr. Merlyn Rees, and his Italian opposite number, Prof Francesco Cossiga. Mr. Rees is due to arrive in Rome tomorrow evening.

While Interpol continues to provide an international network for co-ordinating police activities in member countries, police forces in Italy and Britain have established their own bilateral security arrangements, which the two ministers are expected to review in their talks on Thursday.

Both countries in recent years partly because of historical hostility have reported a growing state of

violence, mainly politically motivated in the case of Italy and essentially criminal in the U.K., but in at least one respect the two authorities see a common link.

This is the growing evidence of direct British involvement in crime in Britain, and Mr. Rees is likely to want to explore the possibility of an even further improvement in liaison between police forces in the two countries in this regard. The Italian

on the other hand, while also witnessing a rise in ordinary crime, are particularly concerned just now the increase in what Prof Gullid Andreotti, the Prime Minister, has referred to as an increasing rate of politically motivated violence.

of foreign is that most, if not all, politically motivated violence stems from the political Right, although the evidence suggests that this popularity for the demagogic right-wing has been borne out by the facts. Indeed, of late there has been evidence of a resurgence of Mafia-type violence, particularly in the economically depressed southern part of the country.

This has taken the form of an even further increase in the incidents of kidnappings and of criminal extortion.

It is now almost one year since the EEC agreed at the level of interior Ministers to try and improve co-ordination on security, as between member countries, which is especially against this background that the British home secretary is visiting Rome this week.

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Base Rate Australia and New Zealand Banking Group Limited announce that on and after 13th September 1977 its BASE RATE will be 7% per annum.

Base Rate Change BANK OF BARODA Bank of Baroda announce that for balances in their books on and after 14th September, 1977, and until further notice their Base Rate for lending is 7 1/2% per annum.

Deposit rates cut in Italy Italy's largest banks have agreed to reduce deposit rates by 1.25 percentage points for large depositors and by one point on other deposits, banking sources have said in Rome, Reuter reports.

Russian observers The Soviet Union has for the first time accepted an invitation to send an observer to NATO military exercises, the Danish Defence Ministry announced yesterday. Reuter reports from Copenhagen.

Specialised

EUROPEAN NEWS

East Germans fully intend to make another spectacular impact on the 1980 Olympic games in Moscow, and almost certainly will succeed, Leslie Colitt describes the...

Rise and rise of the GDR sportwunder

GERMANY is determined with unusual ability are often at its second place at last given a equal coaching until Olympic Games, and per- en to draw closer to the Union, at the 1980 Mos- ympics. In Montreal, the Democratic Republic gold medals, six more U.S. and its athletes Olympic records.

At eight years old evidence that the East her swimming talents came to the attention of the instructor on at the games staged in Leipzig for East Ger- um 10 to 70 years old. 30,000 athletes at three times as many as at the regular Olympi- half the time. Ten young East Germans, from nearly 5m. com- schoolchildren, ran and swim in the youth side, which is held every rs. This time it was d with the gymnastics festival and billed as the st sporting event ever the GDR.

East Germans and East Germans living in der areas watched on the vision, which covered the events live from training its cameras on ical leader, Herr Erich to get his reaction. Political chores in East sit for hours in stadium watching the ympic winners perform. GDR sport is subsidised by to DM4bn. (£1bn.) a year. All oars choreography in East Germans are eligible for membership in one of the Hollywood's Cecil B. regional clubs and pay a monthly fee of DM1.50 (35p) which often allows them certain leisure acti- vities formerly reserved for the thletes, a 1,000 man well-to-do such as riding, tennis, and sailing. Few of the sport clubs, however, can come close to East Berlin's Dynamo Club, sponsored by the police and state security services.

It has the most elaborate facilities in the country. The Dynamo sport forum covers 137 acres and includes a football stadium to hold 35,000 specta- tors. Three practice fields, two indoor ice rinks, an ice skating speed track, large and small ne as a revelation to track and fields, arenas, indoor he 140 foreign guests, and outdoor olympic pools, diving members of the Inter- platforms, jumping pits, boxing and national Olympic rines and volleyball courts.

Additional arenas are reserved ing to discover the for fencing practice and still ind the GDR's athletic another for fencing competition, and Mr. Arne B. Mol- Equipment is the very latest and ent of the Norwegian best available, with price po- committee, summed up sideration.

Even for a Westerner it was convinced that this difficult to remain unaffected by universal pursuit of the sheer scale of the Leipzig its achievements pro- sport spectacular. Some scoffed ally that leads to the thousands of card-flashing athletics. When a Leipziger in the stadium pro- ceals two metres ducing one giant slogan after the metres in the high other such as "long live our clearly explains the GDR." "The GDR, our father- international athletic land," and "Our thanks to the of the GDR." (Communist Party).

Others decried the athletes oath port in the GDR be- seven-year-olds who plading their "entire strength two hours of physical to fulfilling the resolutions of the ninth party congress of the socialist unity party of the many." But one could not help added the following noticing that the young East Ger- the (me pupils are mans, earnest as they appeared, t specialised in ac- seemed to thrive on this kind of olleyball. Children high pressure competition.



Gerhard Braun, 69, and 10-year-old pupil Mario, were the oldest and youngest competitors respectively in one 10-kilometre race organised in Berlin.

Demand for cars 'will remain strong'

BY STUART ALEXANDER AND GUY HAWTIN

AN INCREASE of 5 per cent. in the figure in the U.S. was nearer 33 per cent. He believed that European demand for private transport would remain strong with statistics currently showing that over 80 per cent. of travel miles in Britain, Germany and Italy were covered in cars.

While there would continue to be a strong market for medium and large cars, he expected considerable growth in the mini and small car sectors. In this area, a consensus of both engineering and styling requirements had emerged and small cars could now offer a high degree of comfort, with economy of both purchase and running costs.

He predicted that mini cars would take almost 27 per cent. of the market by 1982 and this would be coupled with the revival of sales in the small car industry, which used oil products from the extensively in the construction of its vehicles, as well as their source of power.

To satisfy the growing future private customers.

FRANKFURT, Sept. 13. demand from the motor industry, the oil industry would have to try to reshape its processing structure in the direction of plants for light products. This would demand large quantities of capital which called for "a stable pattern of earnings" which the companies did not have in Germany. If an "upgrading" policy made it possible to achieve this, the motor industry's petroleum supplies would be secure, he said.

There would be a significant increase in electrically driven vehicles in cities, said Mr. Faumann. But the combustion engine would, even in the long term, continue to be the dominant power unit for long haul traffic.

Diesel engines, he said, would increase their share of the market, but he advised manufacturers to increase the fuel tank capacity of their models as the network of filling stations selling diesel fuel was "far less closely meshed" than the gasoline station network.

A confident view of the future for the smaller manufacturer was given by Dr. Manfred Janke of Porsche. The company had built an engineering development centre which was used only partly for developing its own cars. The rest of its capacity was utilised in engineering research on behalf of others—operations energy substitutes for petroleum 20 per cent. of the company's not applicable to the motor industry, which used oil products from the extensively in the construction of its vehicles, as well as their source of power.

To satisfy the growing future private customers.



Spanish unionists put lands to Government

IA SMITH MADRID, Sept. 13.

rade unionists were compensation. The Unionists entering the Govern- want the revocation of a royal a draft package of decree law passed last March labour relations which allowed lock-outs in dy made clear that if response to strikes and dismissal re not met they will of workers "in consequence of the moderation of the professional capacity and ds that the Govern- requirements of a company"—a loosely worded clause that, the unions feel, allows for excessively broad interpretation.

The Government of Premier Adolfo Suarez hopes that the unions, who claim their membership now exceeds 20 per cent. of Spain's labour force, will agree to a maximum 1977 wage rise of 17 per cent.

The last official increase, in April, gave a daily minimum of 450 pesetas (about £3.03), 14.5 per cent. more than in October, 1976. The unions want a new monthly minimum of 35,000 present figure and roughly equivalent to the current monthly average.

A new increase is expected to be decreed on October 1 as part of the routine six monthly review. Hints have been given this week that it will be about 80 pesetas (about 40p), just under 14 per cent. higher than the current minimum.

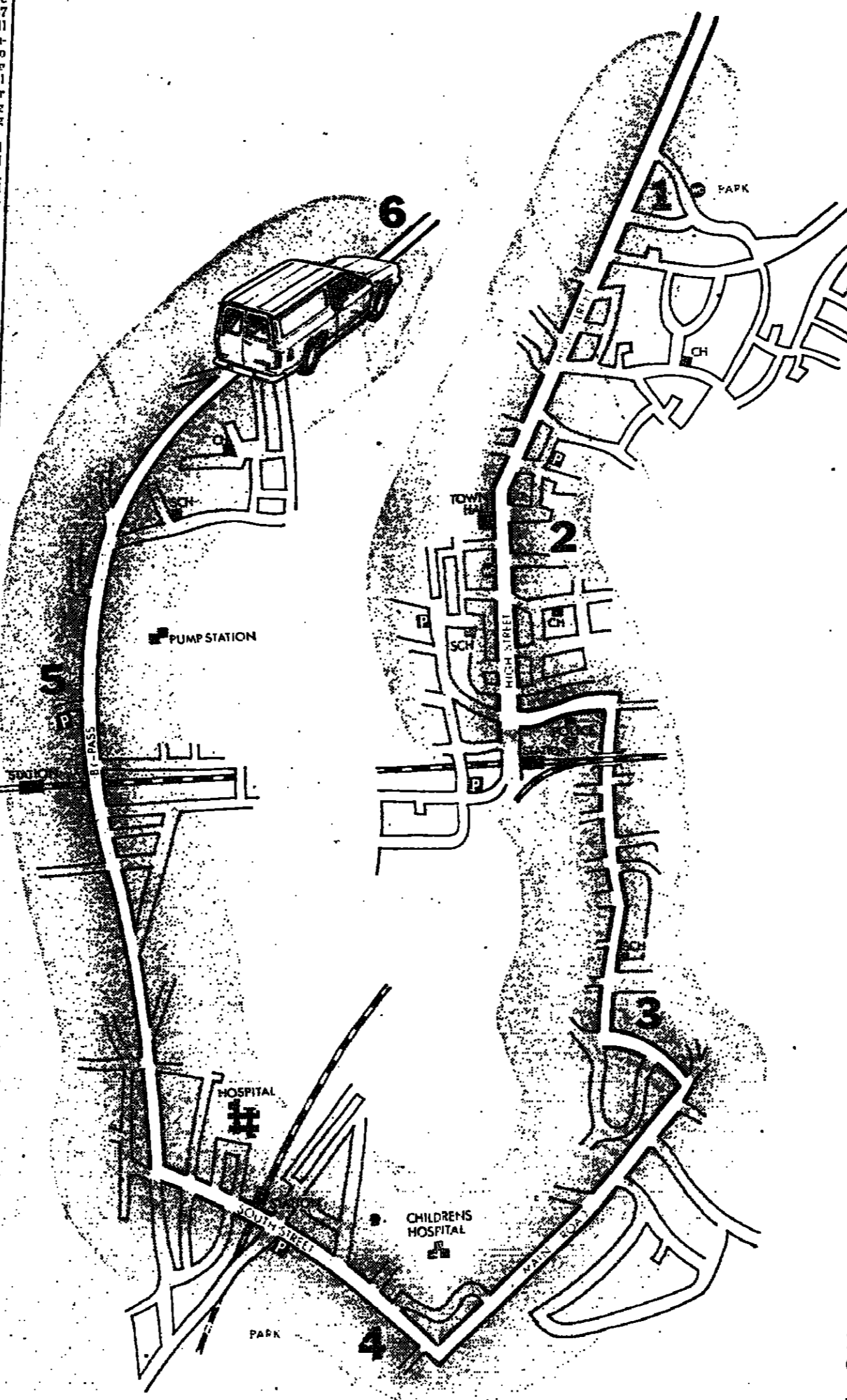
Meanwhile, a split has occurred in Union of Socialist Workers (USO), which is backed by a federation of small regional socialist parties generally more left-wing than the Spanish Workers Party (PSOE), the runner-up in the June General Election. Eleven of USO's 24-man management have reflected their colleagues' proposals to merge with the General Union of Workers (UGT), the powerful PSOE's union federation. The dissidents claim that 70 per cent. of their membership supports this rejection.

The split comes at an awkward time when unions, despite considerable political differences, are striving to present a credible united front to the Government and persuade membership and potential recruits that they have valid bargaining powers.

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On an urban delivery route, making two stops every mile, "Truck" Magazine road testers found that the Leyland 10cwt van recorded almost 3 mpg more than its nearest popular rival: the Ford Escort 45.

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Write to Light Commercial Vehicle Sales, Sales & Marketing Division, Leyland Cars, Grosvenor House, Redditch, Worcestershire.

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From Leyland Cars With Supercovers.

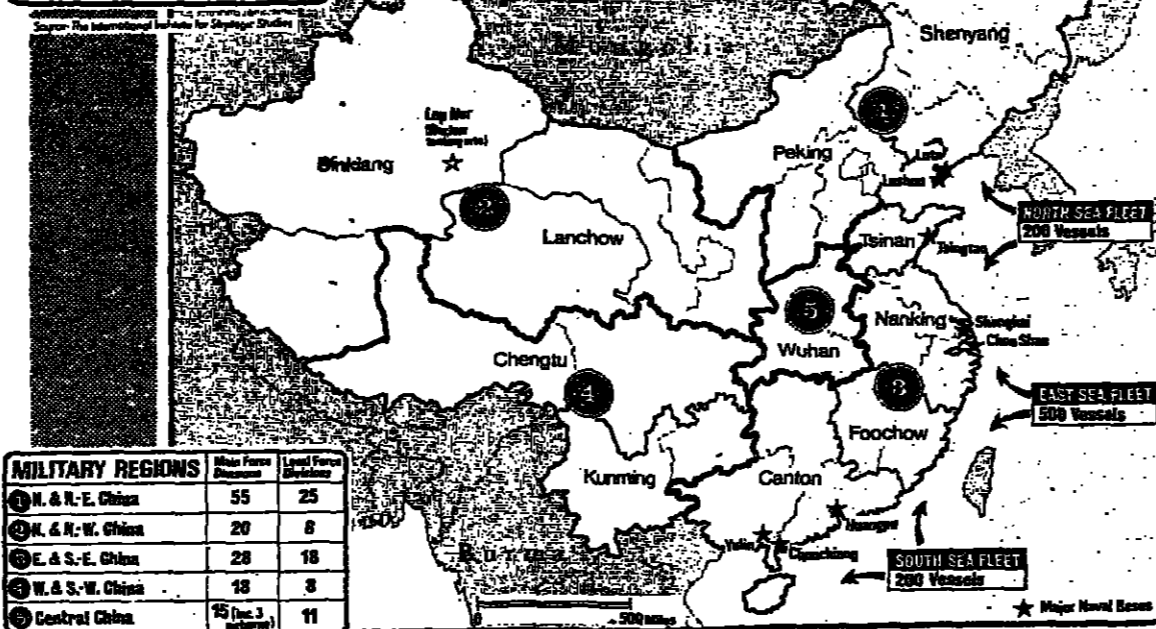
OVERSEAS NEWS

Black S. African leader's death provokes anger

BY QUENTIN PEEL JOHANNESBURG, Sept. 15.

STEVE BIKO, the founder of the South African Students Organisation (SASO), and one of the most important black political leaders in South Africa died last night in police detention. The brief police announcement... Mr. Biko aged 30, and a father of two, had been in detention since August 18. He was previously banned and restricted to his home town of King William's Town, in the Eastern Cape. He was also detained last year for 101 days, during the disturbances in South Africa's black township. His death brings to 19 the number of blacks who have died while being held without trial under the security laws since March last year. Seven were listed as suicide by hanging and three as "fell or jumped to death".

CHINA'S MILITARY STRENGTH



Military voices in the corridors of power

BY COLINA MacDOUGALL

WHILE the corridors of power in Peking do not yet echo with the sound of jackboots (Chinese soldiers are more likely to be wearing traditional cloth slippers), the military are speaking up with an ever-louder voice for more modern weapons. The latest blast came in the September issue of the party journal Red Flag in a piece by members of the Military Academy of Science. This is one more in a long line of hints and statements to the same effect since Chairman Hua Kuo-feng took over last year. Pointedly, in the same Red Flag, Nieh Jung-chen, a senior general with an interest in technology and newly a member of the Politbureau, argued that doctrines should be interpreted in the light of everyday problems. It looks more than ever as if Mao's teaching on the superiority of men to machines in warfare is due for dramatic revision. The air of impending change is emphasised by the new faces in the party line-up. Both the air force and naval chiefs are now on the all-powerful Politbureau as well as the army leaders. This is modified by the promotion of civilian technocrats (the ones to have lost out are the ideologues and the post-Cultural Revolution worker-peasant group), but nevertheless the row of military uniforms among the top people is impressive. The disappearance from the lists of some well-known names among military leaders (Ma Ning and Chang Ta-chin, for instance, one formerly commander of the air force and the other of the artillery) shows that the anti-Gang of Four purge has cleaned up the services too. Thus the military men now in power probably represent the triumphant pragmatic faction from whom change can be expected. Of course, even in China Mao's military concepts were not practised as they were in the 1930s when he was fighting a real guerrilla war against a far better armed but less well-motivated force. Even under the sway of Lin Biao, who dominated the army under Mao's aegis in the late 'sixties, when he was Mao's heir, the Chinese gave much space to guerrilla concepts but continued with nuclear development in the vastness of Sinkiang. The Mao doctrine made a virtue of necessity when China was unable to keep up in the technical field. But the Sino-Soviet border troubles of 1969—when Chinese forces did not distinguish themselves—gave them a severe fright and Lin's disgrace in 1971 and the rising tide of pragmatism thereafter produced a swing of opinion. Though arms purchases did not immediately revive military training was again conceived with much more than guerrilla action in mind. But even in the more pragmatic climate of the past year, preference seems to have been given to men rather than equipment. The army alone has gone up by half a million in the past 12 months, bringing total military forces to 3.95m. The Institute of Strategic Studies reports in its new book Military Balance 1977. Of this number, 400,000 are in the air force and 300,000 in the navy. The Chinese might see a speedy increase in manpower as the quickest (and cheapest) way of countering an external threat, and of course it helps to solve domestic problems of disorder and unemployment. However, they are certainly thinking of equipment as well. Armoured The enormous ground force of the People's Liberation Army is organised into main and local troops. For military administration purposes, China is divided into 11 military regions, with two, Peking and Shenyang in the north and north-east, taking up more than a third of total forces, 55 out of 136 divisions. Half the armoured divisions, most of the air force and about a third of the navy are posted to these two areas. By contrast, in the north-west Sinkiang and Lanchow regions have only 20 divisions each between them, south and south-east China's four regions have only 23, and central, west and

Economic planning takes the lead

By Colina MacDougall

THE IMPORTANCE of economic planning under the Chinese leadership has been underlined by the publication of a lengthy article by the State Planning Commission, where minister-in-charge Yu Chin-h. Yu was promoted last month to the new Politbureau and was former Petroleum Minister and a protégé of the late Premier Chou En-lai. The article commemorates the anniversary of the death of Chairman Mao but its significance lies in its prominence. It indirectly gives to Chinese planners like Yu and his staff. If the Chinese leadership seen as divided on how much of the national cake should be modernised, the article could be viewed as an argument for all-round economic growth. It is down the priorities as agriculture—light industry—heavy industry, as they have been since the early 1950s. On that the military share of national budget seems unlikely to grow beyond its present 20 per cent. of the total despite recent Press articles the need to modernise. In its most important aspect the Planning Commission article reiterates Chinese policy. Agriculture must be mechanised, steel should be "key link," and there should be a good balance between links in industry, starting with raw material, fuel and power. Railway construction also picked out as a leading priority. In a discussion of the role of local and central government, the article says clearly that "whenever possible and necessary" and that the central authorities alone should be planning, set major agricultural and industrial quotas, do major capital projects and handling of major commodity draw-up the budget, currency, decide the annual new workers and fix wages. Local authorities only act within the plans set by the centre, an obvious attempt to reduce the anarchy of recent years.

Palestinians welcome US line on MidEast peace

BY HSIAN HIJAZI BEIRUT, Sept. 13.

THERE HAS BEEN positive Palestinian and Arab reaction to the announcement by the U.S. State Department yesterday that the Palestinians "will be involved in the peace process" in the Middle East and be represented at the Geneva conference. Mr. Mahmud Labadi, the official spokesman of the PLO, called it a step in the right direction. "We are delighted that the Carter Administration is not shutting out the participation of the Israeli lobby," he declared. The announcement is seen by Arab diplomats here as a retort to moves by the Israeli government of Mr. Menahem Begin to retain the West Bank of the Jordan and to exclude the Palestinians from negotiations at Geneva. Washington's main objective, they said, is to break the deadlock about reconvening the

Siad in talks with Saudis

BY JAMES BUXTON

PRESIDENT Siad Barre of Somalia held talks with senior Saudi Arabian officials in Riyadh yesterday, according to reports from Mogadishu, the Somali capital. Meanwhile, it was reported from Addis Ababa that a second heavy Somali assault on Jijiga, at the northern end of the Ogaden region, was still going on. President Siad's visit to Saudi Arabia comes at a critical time in the Ogaden war, now in its eighth week. The guerrillas of the Western Somali Liberation Front hold most of the region, but neither they nor the Somali regular forces, which Ethiopia alleges to be involved in the conflict, have succeeded in making a breakthrough by capturing any of the three towns. Harar and Dire Dawa in the north of the region. An attempt to capture Jijiga at the beginning of the month was apparently beaten off by Ethiopian forces, who claim to have destroyed 72 Somali tanks. A fierce new battle appeared to be still in progress yesterday. It is believed that the Ethiopian forces have succeeded in rallying its forces around the three towns, there is a strong possibility of the war escalating further. Last week, Ethiopia finally broke off diplomatic relations with Somalia, and Somali claims of an Ethiopian bombing attack on Hargeisa, the second largest city in Somalia, at the week-end have not been denied by Ethiopia. If the war intensifies, it will strain the resources of both sides. Somalia, however, is turning any of the three towns into a much smaller population than Ethiopia.

Zaire ex-minister given death sentence for treason

KINSHASA, Sept. 13.

MR. NGUZA KARLI-BOND, Zaire's former Foreign Minister, was sentenced to death here today by the State Security Court for high treason. Mr. Ngaza, 39, was accused of failing to pass on to President Mobutu Sese Seko information he received about plans to invade Zaire. The ex-minister once regarded as a likely successor to the President, denied the charges. The court was told of a meeting in Brussels last January between Mr. Ngaza and an exiled opposition leader. President Mobutu "was likely to face nasty surprises in Shaba..." the disgraced Minister was alleged to have been told. In March, exiled opponents of the President invaded Zaire's Shaba province from Angola. Zaire troops, stiffened by 1,500 Moroccan flown in aboard French planes, threw back the invaders in 80 days. The Zaire news agency, Azapa, said Mr. Ngaza could appeal to the Supreme Court or to the President against the death sentence. Reuter

Ratu Mara expected to win Fiji poll

BY DAI HAYWARD SUVA, Sept. 13.

A SOMEWHAT bewildered electorate in the Pacific island of Fiji begins a week of polling on Saturday for the second time in six months, after five months of minority government, bitter inter-racial party controversy, frantic political fence-mending and many inter-changes of allegiances. The Alliance Party, led by the respected Ratu Sir Kamisese Mara, should win with a clear working majority. Ratu Mara has governed with a minority of 24 seats in the 52-seat parliament since the April election when the opposition National Federation Party (NFP) surprisingly won half the seats. That is unlikely to be repeated. Much of the lost support, particularly from the indigenous Fijian section of the population, will probably return solely to the Ratu Mara on an overall majority. The reasons for the loss of public support for the Alliance Party in April all had racial connotations. NFP candidates persuaded many voters in the Indian community that their grievances about education, taxes, and land were caused or aggravated by alleged pro-Fijian and anti-Indian sympathies in the Alliance Party. Secondly, the introduction of racialism into Fiji politics for the first time as a political force made a tremendous impact. A former cabinet minister, Mr. Sakesai Butadroka, who left the Alliance Party two years ago to form his own Fijian National Party, stumped the country in an anti-Indian crusade. His slogan, "Fiji for the Fijians," and claims that the economic problems and future of the Fijian ethnic group would be solved if the Indian half of the population, which has a tight grip on commerce, were deported, touched a sensitive chord in thousands of Fijians. This doctrine consolidated Indian voting strength behind the National Federation Party. Many Indians who had supported the multi-racial goals of the Alliance switched to the NFP, led by a 54-year-old lawyer, Mr. Sidiaji Koya. The Alliance has launched a vigorous campaign, stressing its help for the Indian population, particularly in land tenancy laws. To the Fijians, land has a spiritual meaning. To safeguard against Fijians losing their hereditary land, the Fiji constitution prevents non-Fijians from acquiring land. But the Fijian is not by nature a farmer. That is why Indians were first introduced into Fiji in the last century to work

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER Survey of the NETHERLANDS to be published on Tuesday November 15 1977. The Financial Times is preparing to publish a survey on the Netherlands in its edition of November 15 1977. The main headings of the proposed editorial synopsis are set out below. INTRODUCTION: The Netherlands is one of the most advanced societies in Europe but still has its social problems; and the new Government will have to set about resolving them while at the same time seeking to improve the business climate. POLITICS: An examination of the political situation following the May election, which produced a surprisingly large victory for the Labour Party of Mr. Joop den Uyl, the Prime Minister. THE ECONOMY: The economy is still strong, but recovery has been slow and unemployment is again rising. The Government is trying to curb the growth of public expenditure against a background of continuing anxiety over corporate profitability. EUROPEAN POLICY: Most Dutch people still see the best hope for the future in closer integration with neighbouring countries; support remains strong for economic, monetary and political union with the EEC. THIRD WORLD: The Netherlands is among the few western countries which have exceeded the United Nations' target of 0.7 per cent of GNP for official aid. IMMIGRANTS: The successful absorption of Indonesian immigrants gave the Netherlands a good image abroad, but the more recent arrival of many Surinamese, the recent dramatic events involving South Moluccan terrorists, and now the permanent group of foreign 'guest workers', have caused social strains. ENERGY: The Netherlands is a net energy exporter but the position will be reversed within the next five years as depletion of the Slochteren natural gas field continues. BANKING AND INSURANCE: In both sectors the process of internationalisation of activities has been a top priority, not least because of the relatively limited domestic market. CAPITAL MARKETS: The stock market, and the money and capital markets have been improving after a bad period, particularly during last summer when the guilder was under pressure. INDUSTRY: Shipbuilding and Offshore: Both sectors are due to be rationalised with State support because of the low level of orders. Steel: Short-time working continues, but the outlook is regarded as promising. Cars: Volvo has taken over DAF but is still having difficulty making it profitable; assembly by Ford is operating successfully. Construction: The domestic sector is short of orders but Dutch companies have won some major orders abroad. Aerospace: Hopes are pinned on participating in European projects; the industry has proposed plans for a new medium-haul airliner. Oil and Chemicals: This sector is doing better than most of the rest of Dutch industry; sizeable investments are planned. Engineering: The industry is suffering from high labour costs and is in the process of reorganisation. Textiles: Like most European textile industries the industry suffers from cheap imports and faces restructuring. Dairy Farming: The industry has a stable base and is concentrating on exports, particularly to the Middle East. THE MULTINATIONALS: The Netherlands-based multinationals continue to flourish despite mounting domestic criticism of their activities. TRANSPORT: The transport sector has grown very rapidly in the past decade, but the impact of reduced world trade is leading to reorganisation. AGRICULTURE: An examination of the state of Dutch agriculture, regarded as being in an enviable position compared with the industry's experience in several other European countries; Dutch efforts to increase exports. REGIONAL DEVELOPMENT: Efforts to industrialise the areas outside the congested west of the country are concentrated mainly on the North (Groningen Province) and the South (Limburg). These efforts have met with mixed success. WELFARE STATE: Social expenditure has scarcely been affected by the economic downturn; but the burden may gradually become too heavy for the economy. LABOUR: Traditionally very good labour relations in the Netherlands have been under strain in the past few years. The unions want far-reaching social reforms in exchange for wage restraint. TOURISM: The flow of tourists has started to increase again but the country is not attracting the number it would like.

AMERICAN NEWS

Longshoremen's union and shippers to resume talks

STEWART FLEMING

NEW YORK, Sept. 13.

NEGOTIATIONS over a new contract for dock workers in the East are moving towards a phase as a strike deadline looms at the end of the month... International Longshore Association which represents the men who work the waterfront from Maine to Texas...

General strike due to-day in Colombia

Intense military operations were being mounted in Colombia to control the national strike called for to-day by the four main union federations...

"The Japanese are very, very enthusiastic people. They bend over backwards to help. To be honest, that surprised me."

هكيمان الازهر

Rp Randall



When he isn't a forward in the company rugger team, 15-stone Richie Randall is a chassis inspector in National Panasonic's new colour TV factory. "I've never come across a company like this before, and I don't suppose I will again," he says.

A big sports fan, in more than one sense of the word, Richie approves of the way management responded so sympathetically when a colleague, former Welsh Youth International Tony Yeo, suggested that the company might form a rugger side.

"First we had a ballot to make sure there was enough support for the idea," said Richie. "Then when that had been established, the company went straight out and bought new strip for the team. It cost over 350 pounds."

The team was formed last Christmas and is a member of the Cardiff and District League. If Richie has anything to do with it, they'll soon be league champions. But, win or lose, one thing's for sure. No amount of pots will replace the shield which has pride of place in the company boardroom.

"I've never encountered a boss like mine before," said Richie. "All the lads clubbed together to buy the shield so he'd have a souvenir of Wales when he goes home."

National Panasonic just slightly ahead of our time

National Panasonic and Technics are the brandnames of Matsushita Electric, Japan's leading consumer electronics manufacturer.

Route awards for U.S. airlines

OUR OWN CORRESPONDENT

NEW YORK, Sept. 13.

U.S. Civil Aeronautics because negotiations between (CAB) has provisionally approved a new trans-Atlantic air agreement had to five U.S. airlines. The Board's announcement re-affirmed its decision to give Delta Airlines a non-stop route between Atlanta, Georgia, and London...

Finance prepares 1 1/2-hour apologia

JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 13.

RT LANCE, the Budget with the Senators over who had capital had been raised and that the bank's capital ratio had achieved adequate levels by the time the order was lifted. But Mr. Tarleton, under considerable pressure from Senator Percy...

Thatcher meets Carter

VID BELL

WASHINGTON, Sept. 13.

MARGARET THATCHER, Reserve Board and a number of the Opposition, Senators before having dinner with President Carter with Dr. and Mrs. Henry Kissinger in the White House...

ECONOMIC POLICY

Expansionary straws in the wind

BY JUREK MARTIN, U.S. EDITOR

AT CARTER may soon more favour upon an expansionary economic policy. Mr. Carter's response to the question of whether the President's own insistence on high ethical standards will undoubtedly await them.

Mr. Carter's modest reflationary package this year and his signature of a \$4bn. public works jobs Bill no more satisfied black leaders than it did organised labour.

profession of generally liberal economists who, like their foreign policy counterparts, have waited in the wilderness for eight patient years of Republican administrations. According to some reports, Mr. Charles Schultze, Chairman of the Council of Economic Advisers, is the insider's favourite to replace Mr. Lance...

NY Times sued

Tribe New York Inc. which has announced plans to begin publishing a morning daily newspaper in New York City this autumn, has said that it is suing the New York Times Company and others for allegedly conspiring to prevent publication of the newspaper...

ON OTHER PAGES

International Company News: Eurocredits for Tunisia... Fanning and Raw Macerations... World wheat pact proposals... Japan accused on sugar... 41

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE... NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company...

WORLD TRADE NEWS

Dumping may force closing of SKF plant

PARIS, Sept. 13. SKF-France, the French unit of the Swedish bearings group Svenska Kullagerfabriken AG, warned today that it may have to close three factories of its subsidiary CIE Jurassienne de Roulements (CJR) because of foreign competition.

Japan unable to comply with U.S. call on deficit

TOKYO, Sept. 13. The United States is pressing Japan to move quickly into deficit on its current account balance of payments, but a senior Japanese official says it will not be possible in the short term.

Italy wins \$500m oil contract

ENI added that the contract with the Abu Dhabi National Oil Company also included the possibility of a sequent extension of the refinery. ENI has won a \$500m contract to build a refinery in the Abu Dhabi area.

Call on Yugoslav-EEC trade

BRUSSELS, Sept. 13. HERR Wilhelm Haferkamp, vice-president of the Brussels Commission of the European Communities, today ended his two-day visit to Belgrade asking for patience and goodwill in efforts to improve relations between Yugoslavia and the Common Market.

Meeting on Third World debt delayed

GENEVA, Sept. 13. A MEETING of Ministers from more than 100 countries to discuss the growing external debts of Third World states has been delayed again, the organisers reported.

India plans further easing of imports

NEW DELHI, Sept. 13. The INDIAN Government is to liberalise imports further to enable it to help development programmes and check the rise in prices. This was announced today by the Finance Minister, Mr. H. D. Dholakia.

Flattery goes too far

Levi Strauss and Co. Names in the suit besides Mr. Newman are Mr. Charles Sidney Wells and Mr. Peter Stephens Dixon. Levi officials believe none or very few of the counterfeiters made it to open market.

CONTRACTS AND TENDERS

HELLENIC REPUBLIC The National Tourist Organisation of Greece. PREQUALIFICATION ANNOUNCEMENT for the CONSTRUCTION of three (3) Hotel-Schools in Greece.

EDUCATION SERVICE BUSINESS

Profitable, closely held 7-year-old corporation with capital requirements up to one million dollars for primary purpose of covering present short-term financing to long-term business.

UNIQUE OPPORTUNITY GAME FISHERY

8-acre water area, 1 hour from London. Well stocked with sea bass, sea trout, carp, etc.

COMPLETE CONTENTS OF

Mahogany and oak desks from £15 to £550. Four drawer steel filing cabinets from £25. Steel copyboards £25.

YEMEN ARAB REPUBLIC

With a population of 6 million and a common border with Saudi Arabia this underdeveloped non-oil country has tremendous steady growth potential.

ART GALLERIES

SLOANE STREET GALLERIES, 159 Sloane St., W.1. Modern paintings, sculpture and graphics by interesting international artists.

CLUBS

EVE, 189 Regent Street, 731 0557. A la Carte or All-in Menu. Three Spectacular floors for dancing, dining, and music.

History TODAY Edited by Peter Quennell and Alan Hodge. The September issue includes: NANA SAHIB AT CAWNPORE, 1857 by Christopher Hibbert; MATTEO RICCI IN CHINA, 1583-1610 by Nora C. Buckley; THE STRAND BLOCK OF SOMERSET HOUSE, 1780-1836: Part II by Sonia and Vivian Lipman; THE BRIGHTON CHAIN PIER by L. W. Gowie; COBBETT'S VIEWS ON SCHOOLS by Molly Townsend; THE LAVALLETT AFFAIR, 1815 by Michael Glover.

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DID THE POLLS GET YOU RIGHT?

Should Britain's four main clearing banks be nationalised?

The Prime Minister, most of the Cabinet and the majority of Labour supporters say no, it last year the Labour Party Conference voted in favour of nationalisation.

We (the banks named below) have been asking you, through these Banks Debate broadsheets, what you think.

Every day the issue becomes more widely discussed, as we see from our postbag.

So far, over 28,000 have taken part in the debate. And over 90% of them wrote to tell us

that, for many reasons, they are against bank nationalisation.

Independent polls.

Since the Debate was opened, there have also been two public opinion polls by independent organisations on this important issue.

Both interviewed a complete cross section of the British public. One was conducted in July by Market & Opinion Research International (MORI) and the other in August by Gallup.

One of MORI's questions asked, "Do you think this industry (banking) should be nationalised?" 74% said no; 14% said yes. The remainder were uncommitted.

Concerning the Banks Debate itself, 90% of people said that they liked being given the chance to express their views. So we're printing some of the actual questions from both polls here, with the results. You might like to tick the appropriate boxes and see whether your opinion matches up with the majority view.

If you'd like to send us the page when you've filled it in, we will be pleased to add it to the growing fund of information on the public's opinion about the future of its banks.

Banks and their customers.

1. "If the banks were nationalised, customers would get better service than they do now."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|---------------|--------------------------|--------------------------|
| They would | They wouldn't | They would | They wouldn't |
| 11% | 70% | <input type="checkbox"/> | <input type="checkbox"/> |

2. "If the banks were nationalised, bank charges would go up."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|---------------|--------------------------|--------------------------|
| They would | They wouldn't | They would | They wouldn't |
| 67% | 16% | <input type="checkbox"/> | <input type="checkbox"/> |

3. "If the banks were nationalised, there would be a wider choice of services than there is at present."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|----------------|--------------------------|--------------------------|
| There would | There wouldn't | There would | There wouldn't |
| 17% | 53% | <input type="checkbox"/> | <input type="checkbox"/> |

4. "If the banks were nationalised, the standard of management would rise."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|-------------|--------------------------|--------------------------|
| It would | It wouldn't | It would | It wouldn't |
| 17% | 62% | <input type="checkbox"/> | <input type="checkbox"/> |

Banks and Britain.

5. "If the banks were nationalised, do you think they would do a better or worse job for Britain?"

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|-------|--------------------------|--------------------------|
| Better | Worse | Better | Worse |
| 12% | 55% | <input type="checkbox"/> | <input type="checkbox"/> |

6. "If the banks were nationalised, it would be good for investment in Britain."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|-------------|--------------------------|--------------------------|
| It would | It wouldn't | It would | It wouldn't |
| 18% | 54% | <input type="checkbox"/> | <input type="checkbox"/> |

Banks and Investment.

7. "The Government would be likely to make better use of the banks' money than the banks do now."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|-------------|--------------------------|--------------------------|
| It would | It wouldn't | It would | It wouldn't |
| 27% | 55% | <input type="checkbox"/> | <input type="checkbox"/> |

8. "The Government would use some of banks' customers' money to support unsuccessful businesses."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|-------------|--------------------------|--------------------------|
| It would | It wouldn't | It would | It wouldn't |
| 50% | 21% | <input type="checkbox"/> | <input type="checkbox"/> |

9. "If the banks were nationalised, people would be less willing to save or invest their money in them."

| PUBLIC OPINION | | YOUR OPINION | |
|----------------|---------------|--------------------------|--------------------------|
| They would | They wouldn't | They would | They wouldn't |
| 60% | 18% | <input type="checkbox"/> | <input type="checkbox"/> |

What's your opinion?

We want to hear from everyone, whether you're for or against bank nationalisation.

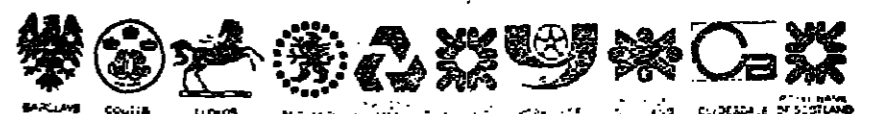
So please tick the boxes in this advertisement and send us the page or, if you would

prefer, write us a letter giving your views.

You can deliver it to any branch of any bank listed here, in an envelope marked "The Banks Debate." Or you can post it to us at the address on the right.

THE BANKS

10 LOMBARD STREET, LONDON EC3V 9AR



HOME NEWS

Tyneside ore plant shelved

BY ROY HODSON

THE RECESSION in world steel making has forced the shelving of plans for a private-enterprise iron-ore reduction plant on Tyneside.

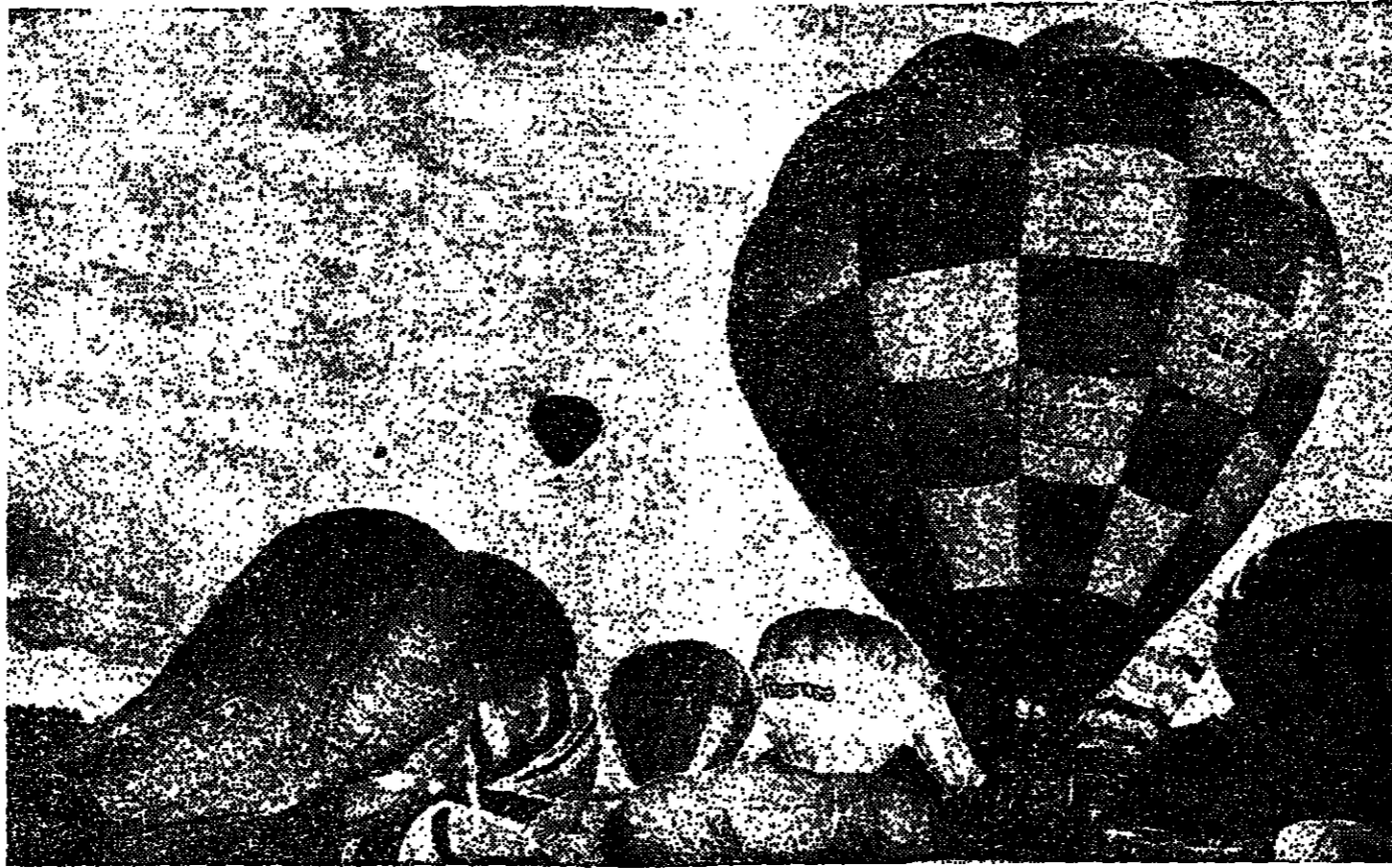
The 580m. plan announced six months ago and backed by Consolidated Goldfields and Fiat is unlikely to be resurrected until there is a firm improvement in international steel trading.

Tesco's share of grocery market down last month

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

TESCO'S SHARE of the grocery market is thought to have slipped back slightly in August from the high point it reached in the two months immediately after it dropped Green Shield trading stamps and adopted its new lower pricing policy.

since June when the group picked up some of the Green Shield franchises dropped by Tesco. In August, the company increased its market share to 3.1 per cent. from the low point of 2.9 per cent. reached in July.



Soaring inflation was clearly the aim at Castle Howard, near York, yesterday as the Third International World Hot Air Balloon Championships got under way to a belated start, sponsored by Robertsons Foods.

New Peachey writ against Sir Eric

BY KENNETH GOODING

A FOURTH High Court writ has been issued by Peachey Property Corporation against Sir Eric Millar, its former chairman and managing director.

NEDO plans detailed study of Scotch whisky exports

BY KENNETH GOODING

THE MOST detailed analysis of the Scotch whisky industry and its prospects is to be carried out under the banner of the National Economic Development Office.

Publication of that report will greatly improve the statistics available on the industry. For example, in the past the Distillers Company has resolutely refused to reveal the capacity of its distilleries, which produced more than half the Scotch sold round the world.

Legal controls proposed on advertising

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council, the Government-appointed consumers' champion, proposed legislation yesterday to clamp down on misleading advertising when voluntary controls fail.

More Home News, Pages 11, 12 and 13

Guildhall cry fire a mystery

THE CAUSE of a fire at a hall in the City of London, which caused £1 million of damage, remains a mystery, an inquest yesterday said.

Two of collapsed/property group's office blocks sold

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

RECEIVERS untangling the affairs of the collapsed property group Amalgamated Investment and Property have sold two of its largest remaining office blocks, both in London, for £18m.

Last month Mr. Homan announced letting of the whole House office development in Basildon to Ford Motor Company, relieving the group of its largest remaining unlet office.

When the group collapsed it had total debts and loan guarantees of £183m, falling to about £120m after excluding inter-company guarantees.

Spending proposal 'a shabby con-trick'

BY DAVID CHURCHILL

GOVERNMENT plans to restrict on local and expenditure in a move to late the construction industry were sharply criticised yesterday by the Greater London Council.

Abbey Capital directors step down

By Margaret Reid

THE BOARD of the Crown Agents' Australian property subsidiary Abbey Capital Group has been changed as a sequel to the agents' acquisition of the rest of the group's shares.

More aid urged to open small businesses

BY DAVID FREUD, INDUSTRIAL STAFF

EVIDENCE to be presented to the Wilson Committee on Financial Institutions by the Council for Small Industries in Rural Areas is likely to urge establishment of a national body to help people set up small industrial projects.

The finance for starters is not fairly certain for the small businesses which we deal with, employing less than 20 skilled individuals.

Art in the office 'like a pay rise'

ART IN THE office adds style and character, makes offices more interesting to work in and can be almost as good as a pay rise, Mr. Peter Leigh, a partner in the Graffitt Gallery, London, said yesterday.

J. Walter Thompson, the American advertising agency with offices in London, has spent up to £20,000 a year on art for the last 15 years, he said, and now has a print collection valued at £20,000.

He was not nearly as known as he is nowadays. People spend up to a third of their lives at work, not make it, and it shouldn't be expensive. Firms here haven't been to this world.

Skytrain like to operate from Gatwick

MR. FREDDIE LAKE, of Airways, expects to hear that he will be allowed to start his low-cost Skytrain service from Gatwick.

He applied to the Aviation Authority last year after the departure of Stansfeld Airport, Essex, to him to compete on more terms with the main Atlantic scheduled services which are being introduced lower fares.

Large advertisement for 'IN OR OUT?' featuring a 'Decision day's DEC 7' booklet and a 'HAMBRO LIFE' logo. The text discusses business decisions and pension schemes.

Vertical text on the right edge of the page, including 'Walter', 'merc', 'Whi', 'pro', 'rese', 'Wind', 'ECC', 'CONFERENCE', 'Plastics us', '90 over', and 'St. Clair Miller'.

HOME NEWS

Importers winning more of commercial vehicle market

ERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CE THAT Britain's commercial vehicle industry is faring itself adequately to the coming home market... The overall truck market last month was 7.4 per cent up on the same month last year.

On the commercial vehicle export front, a brighter note was sounded for Britain yesterday by Mr. David Plastow, the society's president, who said that British truck sales in West Germany had increased by 53 per cent in value during the five months to the end of May.

2m. more 'want to use Gatwick'

GATWICK is so poorly served by scheduled flights that each year at least 2m. air passengers who would use the airport are compelled instead to use Heathrow, British Island Airways said yesterday.

The statement was in documented evidence to the Civil Aviation Authority at a public hearing into British Island's application for new routes from Gatwick to six key points in Europe.

Liberals confident of boost for pact

BY IVOR OWEN, PARLIAMENTARY STAFF

WITH PREPARATIONS for the Liberal Assembly, due in Brighton on September 26, nearing completion, the party managers are more confident than before of securing a clear-cut endorsement for the Lib-Lab pact.

Heads 'tend to be too optimistic'

By Michael Dixon, Education Correspondent

HEAD TEACHERS tend to be over-optimistic about the state of the country's schools, according to a survey report issued by the 90,000-member National Association of Schoolmasters and Union of Women Teachers yesterday.

ries still dged end use rates

Times Reporter

TH SPEED, Opposition on local government, repeated the Conservative case to abolish household rates.

White Paper rejects proposal to disband research corporation

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AN ATTEMPT by MPS to disband the National Research Development Corporation was rejected by a Government White Paper yesterday.

Blue plaque to card designer

MR. DONALD MCGILL, designer of saucy postcards, is to be remembered by a Greater London Council blue plaque at Blackheath, London, S.E., where he lived.

He would therefore be disappointed and surprised if at the assembly the party with-

Transport loss

FARES INCREASES by Hull Corporation transport committee accounted for 10 per cent. more revenue last year.

It was high time that heads of schools took a look from the viewpoint of the ordinary teachers, and saw things "as they really were," Mr. Fred Smithies, assistant general secretary of the combined NAS/ITWT, the country's second largest teachers' union, said.

Windscale plant 'part of EEC nuclear strategy'

BY IAN BREACH, IN WHITEHAVEN

THE PROPOSED reprocessing plant at Windscale was "an integral part of EEC nuclear strategy" and the British Nuclear Fuels applications now before the Windscale inquiry is not just a national issue, according to a witness appearing here yesterday.

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BICC people make optical fibre cables work for Rediffusion and the Post Office

BICC people, through their work on the development and manufacture of optical fibre cables, are helping to make optical fibre telecommunication systems work. Optical fibres are only a part — but an essential part — of a system that uses light instead of electric current to transmit messages.

The Post Office Corporation and Rediffusion chose BICC as the sole supplier of their first purchases of optical fibre cable for field use, the latest and most advanced technology in telecommunication cables, thus confirming the leadership in the development and manufacture of telecommunication cables that BICC has held since the early days of the telephone.

These designs of optical fibre cables consist of two fibres made from a special glass, each no thicker than a human hair, flanked by two steel tension wires to give mechanical strength, lying in an extruded plastic sheath that can be handled and pulled through ducts in the same way as a conventional telecommunication cable.

The Post Office has installed 21 km of this BICC optical fibre cable in conventional underground ducts between its Martlesham Research Establishment and Ipswich telephone exchange for its first optical fibre system, and in Hastings 34,000 subscribers to the cable television network of Rediffusion (South East) Limited receive their television programmes daily through BICC optical fibre cables.

Both installations are significant 'firsts' for optical fibre cables, for telecommunications, and for BICC. BICC is a lot of people, working with people — for people. And making things work.



BICC Limited, Group Head Office, 21 Bloomsbury Street, London WC1B 3QN. Telephone: 01-637 1300 Telex: 23463 and 28624

PLAS CONFERENCE

World plastics use 'should grow annual 9% over 10 years'

IN DONE, CHEMICALS CORRESPONDENT

CONSUMPTION of the world's plastics should increase at an average annual rate of 9 per cent. over the next 10 years, according to the division of Imperial Industries.

density polyethylene and polypropylene, followed the recession of 1974, will take some years to correct. He suggests that present production capacity in the Free World may be 35m. tonnes, considerably in excess of the 1976 consumption of around 28m.

Competitors

The consumption of thermoplastics in Western Europe is expected to grow from some 10.5m. tonnes last year to 23.6m. in 1987, if present Government policies in Britain should outstrip that of many competitors.

But to achieve the forecasts for 1987, further capacity of some 40m. tonnes must be available by the late 1980s, together with investment in raw materials, chiefly crackers, and in processing equipment.

HOME NEWS

Gray Tool awarded £4m. North Sea contracts

BY RAY DAFFER, ENERGY CORRESPONDENT

GRAY TOOL, of Douglas, Lancashire, which has a workforce of 100, has been awarded £4m. worth of contracts for the construction of 77 oil wellhead valves for the North Sea.

Orders for special steels stay low

BY OUR SHEFFIELD CORRESPONDENT

SHORT-TIME working has been re-introduced in parts of the special steels industry in Sheffield. Many in the industry were hoping for a year of recovery in 1977.

New paint price rise likely this year

By Kevin Done, Chemicals Correspondent

ANOTHER round of price increases from the major paint manufacturers appears likely before the end of the year despite the continuing price commission inquiry into raw materials and prices in the decorative paint industry.

Managers move to improve own efficiency

BY DAVID FREUD, INDUSTRIAL STAFF

A CAMPAIGN to improve the U.K.'s industrial performance was launched yesterday by the British Institute of Management.



Sir Derek Ezra, British Institute of Management chairman.

The campaign, called SPUR, is aimed at improving the efficiency of managers and other professionals in manufacturing industries.

Sir Derek Ezra, chairman of the institute, who announced the initiative in London yesterday, stressed that the aims of the campaign were very much in the interests of the nation as a whole.

The quality of British managers was among the highest in the world - contrary to recent adverse claims in the West German newspapers and elsewhere.

But there were three key areas where efficiency could be improved and which the campaign would be concentrating on:

- The distinction between the people who take business decisions and those who are operational was too sharp. Sir Derek said engineers should become more business-minded and the business leaders more aware of the technical problems.

productive. This was a question not only of greater effort but better organisation and adequate investment in tools and equipment. SPUR - short for Strategy, Investment, Performance and Resources - will run for the next 18 months.

New Issue September 14, 1977

This advertisement appears as a matter of record only.

U.S. \$ 250,000,000 COMMONWEALTH OF AUSTRALIA U.S. \$ 100,000,000 7 1/2% U.S. Dollar Bearer Notes of 1977/1984 U.S. \$ 150,000,000 8 1/4% U.S. Dollar Bearer Bonds of 1977/1992

Table listing various international banks and their branches, including Deutsche Bank, Credit Suisse, and others.

Restrictions

It has warned that with a number of rises in the pipeline, the paint industry could be one of those most affected. The move to tighten credit has followed restrictions imposed progressively this year by raw material suppliers...



The Very Rev. Alan Webster (above) is to succeed the Very Rev. Martin Sullivan (66), who retires from St. Paul's in this month. Dean Webster, who is 59, has been Dean of Norwich since 1970.

APPOINTMENTS

Kenneth Paxton becomes TH Leisure chief executive

Mr. Kenneth Paxton has been appointed managing director of TH Leisure. Mr. Paxton has been appointed director of TRUST HOUSES FORTIS LEISURE, which has been taken over from Sir Leslie Joseph...

Mr. Richard Van Oss is to join the GAME CONSERVANCY as director-designate in April 1978. Mr. A. J. W. Lewis (Courtlands) has been elected chairman and Mr. M. Goldman (Carrington Virella) vice chairman of the BRITISH CLOTHING INDUSTRY'S COUNCIL FOR EUROPE.

Handwritten signature or mark at the bottom of the page.

Managers to improve own efficiency

UEW to propose pay rule

By Labour Correspondent

ATTEMPT to bring forward a meeting which will do to determine how the industry pay claims...

Policy-making national committee of the union's... will try to commit the committee against the rule.

Discussions of such a nature would be widespread... to be raised again next month.

It is highly unlikely that the date of the meeting will be changed...

Spring the engineering national committee... in favour of a 2-2-2 free collective bar.

Mr. Rose, Leabour MP for Blackley, has undertaken...

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Threat of national disruption in docks subsidies

By Nick Garnett, Labour Staff

THE THREAT of disruption of Brijain's docks this autumn in pursuit of pay claims of 20 per cent and more appears to have subsided.

Attention is still focused on Merseyside, however, where 6,800 dockers are due to meet at the weekend to discuss their next step after the failure to agree with employers on a 20 per cent claim.

Mersey dockers voted to support a nationwide dock strike called by the unofficial national dock shop stewards committee which was scheduled to start next Monday.

The national committee decided earlier this week to call off the strike because of this being collapse of support. Almost all groups of dockers have accepted Phase Two payments, leaving the Liverpool men, who are trying to skip Phase Two, largely on their own.

A spokesman for the employers, who have offered Phase Two payments and are trying to arrange a new productivity deal, said they were waiting for the outcome of Sunday's mass meeting.

It seems there will be considerable pressure at that meeting to at least scale down the claim, which also involves a 35-hour week, and to call off any industrial action for the time being.

Drivers on Victoria Line strike to-day

By Our Labour Staff

A 24-hour strike by drivers to-day is likely to lead to severe disruption of the Victoria line, London's newest Underground service.

The drivers, working out of the Seven Sisters depot, are protesting about new timetables and work rosters introduced by London Transport.

According to the drivers, most of them members of the National Union of Railwaymen, the new timetables have meant longer spells working on the underground sections of the line and have made it more difficult to take rest breaks.

Negotiations have been going on between the men and London Transport at the national sectional council level of the service's negotiating machinery without resolving the problem.

The transport authority has apparently offered to change the rosters but the alterations have not been satisfactory to the men.

Mechanical engineers can join unions

By David Churchill, Labour Staff

PROFESSIONAL engineers were given the go-ahead yesterday to join a trade union by one of the main engineering institutions.

The Institution of Mechanical Engineers wrote to its 72,000 members giving guidelines on their relationships with trade unions. "The act of joining a trade union is not contrary to the institution's rules of professional conduct," it says.

The Institution seeks to reassure its members that joining a union is not likely to lead to conflicts of interest. "A member joining a union, whether voluntarily or unwillingly, undertakes to observe its established rules and for the most part will find no difficulty in doing so."

The choice of a union should be left to the individual, say the guidelines. It should preferably be one supporting the professional status of its members.

The Institution's guidelines say that members at managerial level are in a position to safeguard younger members' interests. They can exclude them from closed-shop agreements if it is in the engineers' best interests, and ensure that the union fully accepts the professional duty of members of the Institution.

Welders seek 36% rise from Myson

By Our Labour Staff

A CLAIM for a 36 per cent increase has been made on behalf of nearly 200 welders at Myson Heating Products of Hull.

A shop steward spokesman said after the mass meeting yesterday that they were claiming £12 for a 40-hour week to come into effect when the current pay agreement of £2 a week expires next month.

Part of the new pay deal, he said, would be to increase production by up to 16 per cent, and to accept the TUC decision on the 12 month rule.

The spokesman claimed that the men had been locked out by being asked to leave the plant when they rejected a new piece-work pay scheme.

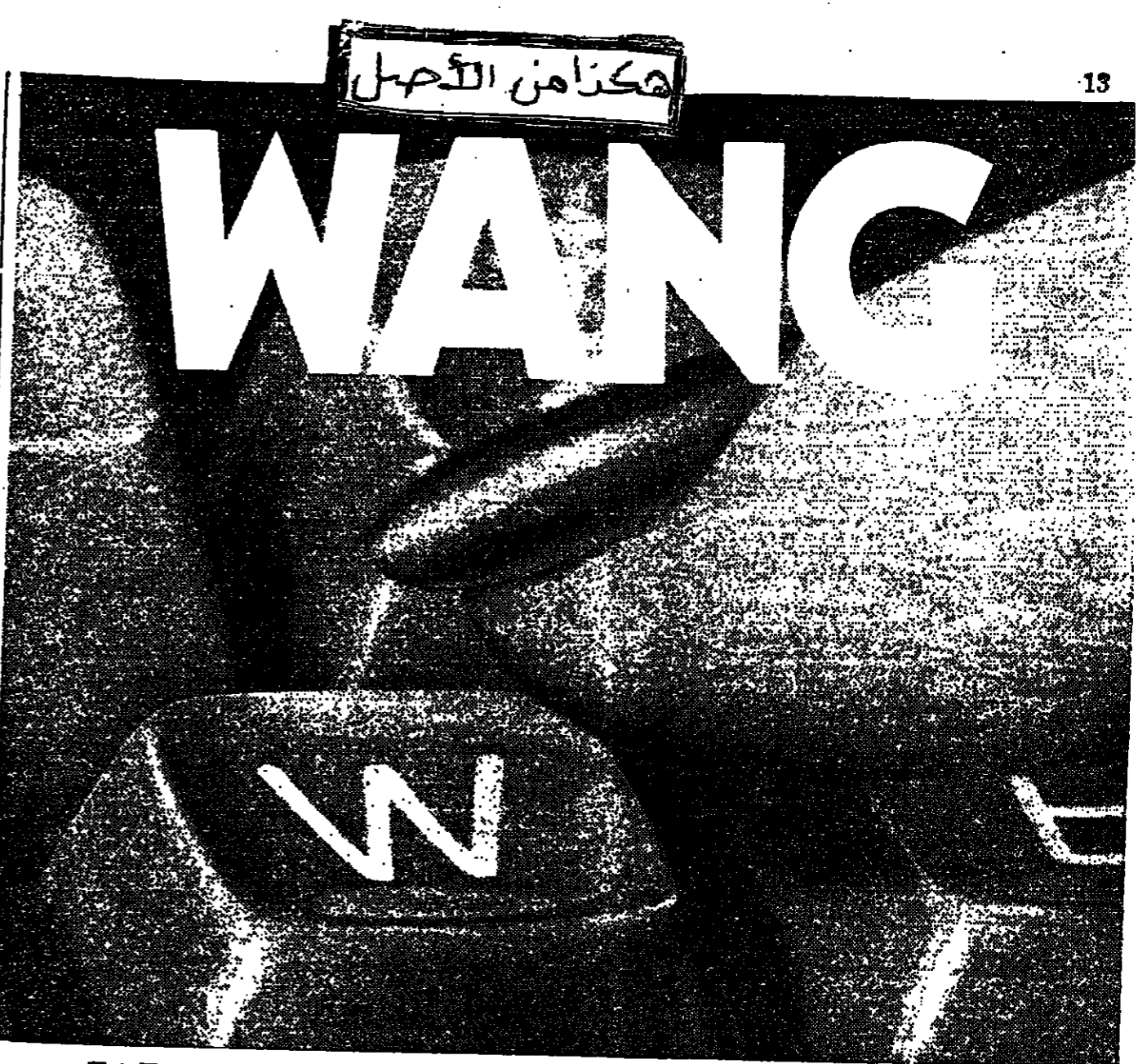
Accountancy students reject union

By Our Labour Staff

STUDENT chartered accountants battling for improved pay during their three to four-year training period have rejected overtures by the Association of Professional Executive, Clerical and Computer Staff to launch a membership campaign among their ranks.

It will also write to union officials to make this clear. Employers or unions who refuse to acknowledge the engineers' professional ethics will be noted by the Institution, and their identities given on request to members.

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We make Word Processing as simple as typing

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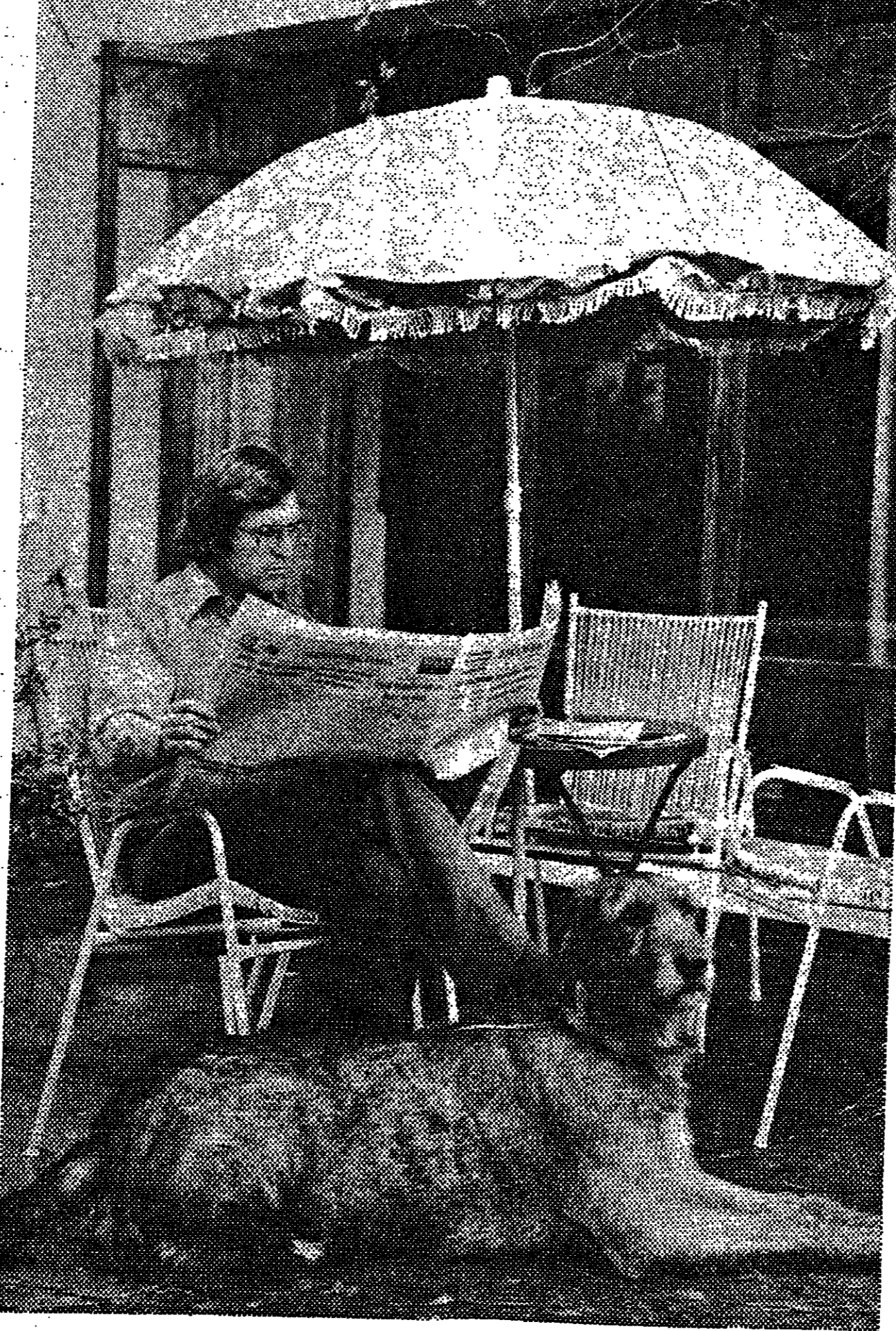
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C region calls rally inst Front march

NATIONALISTS will demonstrate to the Home Secretary against a National Front march in Hyde Park after protests from 10,000 constituents about the Hyde Park North-West march.

He said in a statement: "If the Front will not act then there will be but one way to stop them in the near future - a peaceful counteraction of such gigantic proportions by all who oppose fascism that the heirs of Hitler and Mussolini shall not pass. They will just be swamped."

Meanwhile, at Hyde, a peaceful picket of the town hall and leafleting should be undertaken. "There is no sense subjecting the police to the anger felt by demonstrators against the National Front. There is an unenviable task for which they should not have to undertake."

guidelines unlikely to be 'flexible and fair'

It quotes a Department of Employment guide as saying: "Where a firm has reached a settlement which is quite clearly inconsistent with these policies, the Government will take this into account in public purchasing policies, the placing of contracts and in the provision of industrial assistance."

The firm also warns management to prepare for "markedly more difficult" industrial relations in the coming year than over the past two years. "Transition periods are always the most difficult." Every failure of pay negotiations makes the subsequent efforts of Government, employers and trade unions less credible and subsequent changes of Employment that much more difficult to introduce but that duce or maintain.

lders fear results of ter working week

AT if a trade union the industry's National Joint Council shall not be required to bring week it would consider an application for a change in operatives' conditions of unemployment and change in building taking effect before June 28, 1978.

But recently the Transport and General Workers' Union has indicated that it intends to submit a claim for a 35-hour week and an "immediate substantial increase in bonus payments" next month.

Start Alexander tells how a traditional knitwear company is bidding for the big league

Jersey's religious yarn

A few years ago a knit-
factory in the Channel
of Jersey ended every
day with prayers, led
by the supervisors—mainly
To-day, instead, there is
union. The prayers, if
they are silent, and there
is no nun left, working in
control. She only speaks
company, Pierre Sangan,
more in value each year
is much better known
crop (Britain is part of
ort market) and is the
industrial employer on
nd.

The past eight years the
y has undergone more
changes than the
ment of prayers. A
rebuilding and capital
ent programme has been
ied by a broadening of
old family management
an introduction of new
systems, and new
link with the church,
is still strong. The
y is 45 per cent owned
Roman Catholic church
factory, close to the
of the island's capital,
er, is set in the grounds
nery.

Demolish

After the war the company
was returned to private
ownership and began to
develop the Sumerland
brand name in knit-
wear. The first major
turning point, which
opened up the export
side, was a decision to
attend the British In-
dustries Fair in 1947.

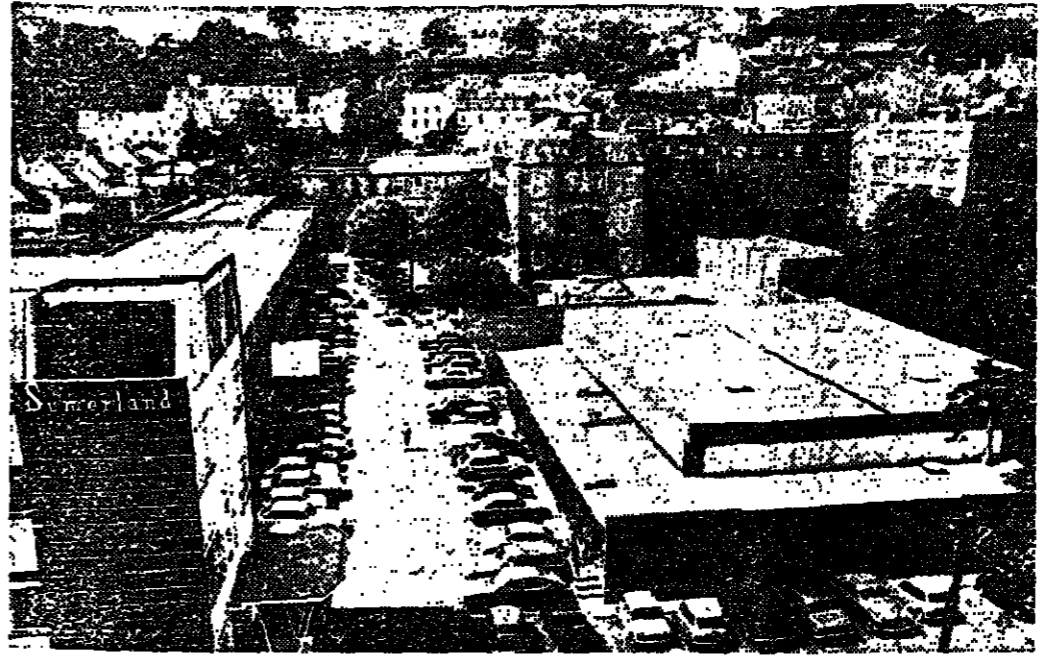
Vatican appointee on the Board
is a Jesuit accountant.
It was not until 1969 that
Sangan became a limited
company, the same year in which
it began a complete restructuring
process involving new buildings
and machinery and, more re-
cently, an expanded manage-
ment team to cope with the
transition to a medium-sized
business with sales approaching
£3m. a year.

Until then it was mainly a
family affair. Grandfather Louis
Sangan, a master tailor, joined
forces with the church in 1905
to build the first workshop pro-
ducing knitwear. The company
struggled through the depres-
sion, recovered from a fire in
1932 and was nationalised
during the wartime occupation
by German troops. At that time
it employed about 300 making
all kinds of clothing, but re-
fused steadfastly to supply the
German army.

Both new directors have been
set the task of tightening
controls: the company has been
worried about the need for
improved production techniques
at a time of volatile commodity
prices, and at the same time it
would like to have more control
over its sales, and to some extent
direction, rests with the four
senior managers.

Revolution

Everything came together by
mid to end 1975, just at the time
the market turned down and
interest rates were rising. An
underlying problem was that
over-attention to the lucrative
U.K. market had led to some
neglect of the hard-won overseas
areas.



Sangan's factory at St. Helier with the nunnery in the background

There are few really well-
known names in the knitwear
business though most would
recognise Pringle, Jaeger and
Byford. By plumping for the
development of its own name,
Sangan is deliberately taking
the more difficult course and
thereby reducing its capacity to
supply the own-label trade.

Business Books

Aspects of Management by Samuel Eilon. Pergamon Press. Price: £5.00. This is a collection of essays on issues relating to the ethos of industrial enter- prise—the justification and distri- bution of profits, the function of the Board of directors, and the ramifications of worker participation and issues asso- ciated with motivation of the individual and with styles of management.

Statistical Analysis for Decision Making, by Morris Hamburg. Harcourt Brace Jovanovich. Price: £7.05. Designed for a first course in statistics for students of busi- ness and public administration this is also seen as suitable for students in the social sciences and the liberal arts. The em- phasis is on clear presentation of the fundamental concepts and methods of statistics.

The Management Process, by S. J. Carroll, Jr., F. T. Paine and J. B. Miner. Collier Mac- Millan Publishers. Price: £5.00. The readings and cases are intended primarily for under- graduates and the selections decided upon have high value in encouraging classroom discus- sion of ideas currently import- ant in management.

How to Deliver on Times, by Sydney Paulden. Gower Press. Price: £6.00. A recent survey of nearly 200 British manufactur- ing plants revealed that only four of them were delivering all their orders on time. Here the author has produced a practical guide for the manager pre- pared to organise for improved delivery.

The Entrepreneurial Function, by Rosmer, Cooper and Vesper. Prentice-Hall Interna- tional. Price: £12.75. This book uses short sections of text and related cases to explain and illustrate the functions of the entrepreneur and the particular characteristics of small business management.

Awakening Continent. Volume One, by Heather Gilbert. Aber- deen University Press. Price: £5. This volume covers the first 60 years of the life of George Stephen, the Scots-Canadian through whose financial genius the building of the Canadian Pacific Railway was achieved.

The End of the Road. Volume Two, by Heather Gilbert. Aber- deen University Press. Price: £10. This second volume of the Life of Lord Mount Stephen continues to develop the theme of the economic awakening of the North American Continent.

Call for official recognition of a double standard

By MICHAEL LAFFERTY

ACCOUNTANCY

become—for an important paper
shortly to be submitted by the
accountancy bodies to the Trade
Department calling for the
exemption of most small limited
companies from the compulsory
audit requirement.

Sweet shops

The immediate pressure for
making the change stems from
the new initiative within the
accountancy profession to issue
minimum definitive auditing
standards. Up to now auditors
have been presumed to be
applying the same auditing
standards to the ICI's of this
world as to the small corner
sweet shops, however out of
practice.

closed in the accountant's
report.
Prior to a change in the law
the accountancy bodies would
issue standards appropriate for
conducting "review" engage-
ments. A by-product would be
that standards for non-company
assignments, such as those for
sole traders and partnerships
where no audit is involved,
would be the same as those of
the small company opting out
of the audit requirement.

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wind in.
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antic Klondike saloon bar
sily, gregarious place.
e our Colony Room for
er dining, where the
menu's as wide as a gourmet's
agination.
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pool. While energetic souls
swim in it, staid folk can
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BUSINESS PROBLEMS BY OUR LEGAL STAFF

Expiry of a lease

I had a lease on commercial
premises which expired in
March 1978. Notice to termi-
nate the tenancy was served by
the Landlords in July 1975,
under Part II of the Land-
lord and Tenant Act, 1954,
stating they would oppose the
grant of a new tenancy on the
grounds that they intended to
demolish or reconstruct the
premises and could not do so
without obtaining possession.
Subsequently a receiver was
appointed.

In December 1975 I was
served with a notice from a
firm of solicitors acting for the
landlords, presumably on the
instructions of the Receiver,
that an application to the
Court should determine a rent
under Section 24a of the above-
mentioned Act, while my ten-
ancy continues by virtue of
Section 24 of this Act.

Does the notice served by
the landlords opposing a new
lease, permit him to apply to
the Court for an interim rent,
as there is no likelihood of the
Receiver becoming involved in
any building work, or does a
new Notice have to be served
under the above Act stating
that the granting of a new
lease would not be opposed
before applying to the Court
to establish an interim rent?

We think that your landlords'
solicitors may have misunder-
stood the position. If you did
not make an application for a new
tenancy the lease will have
terminated on the date specified
in the Notice under Section 25
of the Landlord and Tenant Act
(that is the one stating that the

Underpaid tax

If an employer through an
innocent clerical mistake fails
to implement a tax coding
notice for one of its employ-
ees, resulting at the end of
the Fiscal Year in a £100
plus underpayment of tax, has
the employer any hope of
successfully resisting a claim
from the Collector of Taxes
for payment of the tax so
underpaid by referring the
Collector to the tax payer who
is no longer employed by the
company?

Yes, because clerical errors
are not unknown in the offices
of the Inland Revenue! You
will find reassurance in pa-
graph 136 of the Employer's
Guide to PAYE (booklet P7).

No legal responsibility can be
accepted by the Financial Times
for the answers given in these
columns. All inquiries will be
answered by post as soon as
possible.



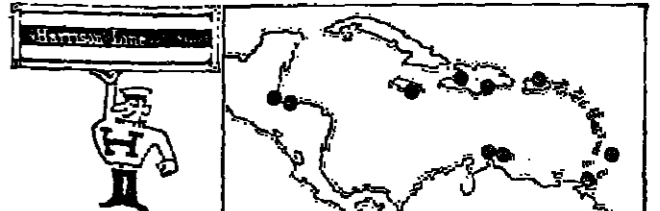
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Wednesday September 14 1977

Abolishing the local rate

THE ONE indisputable fact given very close scrutiny is about the present domestic rate. There is the question of rating system that it probably cannot be sustained for long.

The alternative preferred by the Inland Revenue, and accepted both by the Layfield Committee and by the present Labour Government, would be to rebase rateable values on the value of domestic property.

Time enough Against that the Conservatives want to abolish domestic rates altogether and replace them with locally variable supplements on various existing expenditure taxes.

However, the idea of local expenditure taxes needs to be considered. One wonders, too, whether Mr. Speed and his colleagues have considered some of the implications of abolishing household rates.

Hard slog for Pakistan army

MR. Z. A. BHUTTO, Pakistan's former Prime Minister, who was arrested over a week ago on a murder charge, was this morning granted bail by the Lahore High Court.

Must now decide The army must now decide whether to arrest Mr. Bhutto again. It has implied that it has plenty of other charges up its sleeve—though even Mr. Bhutto's release on bail now inevitably strains its credibility.

Slippery slope He took over Pakistan in the circumstances, the chances of a free and fair poll that General Zia promised when he came to power grow slimmer and slimmer.

Nationalism and the multinationals

BY GEOFFREY OWEN

AN interesting feature of last week's announcement of the new Ford engine plant in South Wales was that the company did not hold a Press conference. While it was quite happy for the Prime Minister and the Department of Industry to produce the investment as a vote of confidence in Britain.

This was no doubt sound public relations, but it illustrates how sensitive multinational companies like Ford must be to nationalistic sentiments in their host countries.

Whether or not these proposals are ever acted upon, they reflect the continuing tension in relations between multinational companies and governments. Although many of the accusations levelled against multinationals are based on ignorance or distortion of the facts, the problem which they pose for national sovereignty is real.

As the Professor points out, there is a sense in which the power of the multinationals may be declining. In many industries, especially those producing standard products, the number of competitors has increased. The dominant position which a company like Caterpillar in earth-moving equipment

realised to any significant extent. There are unresolved problems, too, over taxation and transfer pricing. Can governments improve their bargaining position through international action? An apparently significant move was the 1968 decision of the Andean Pact, the grouping of six Latin American countries, to deny to foreign-owned companies the benefits of participating in their proposed free trade area unless they committed themselves to a divestiture programme that would place majority ownership and control in local hands.

'Unbundling' policy

Another response is the policy of "unbundling," where, instead of taking the whole package of capital, technology and management in the form of a direct investment by the multinational, the host country negotiates separately for those items in the package which it wants.

In the industrial countries multinationals have contributed to economic progress because their subsidiaries have usually been faster-growing and more export-oriented than their national counterparts. But other consequences have been less welcome.

The data for U.S. enterprises are provisional as of 1975; others are final as of 1976. Source: Harvard Multinational Enterprise Project

FOREIGN OWNERSHIP PATTERNS

Foreign manufacturing subsidiaries, classified by ownership

Table with columns for Country and ownership, 189 U.S.-based enterprises, 135 Europe-based enterprises, and 61 Japan-based enterprises. Rows include Wholly owned, Majority owned, Minority owned, and Unknown for both Industrial and Developing Countries.

MEN AND MATTERS

Facing the music together

A move that would have been unthinkable in Chisham's more expansive days: the merger of the Carlton Club and the Junior Carlton—has been cheerfully accepted by members of both establishments. It is no secret around St. James's and Pall Mall that inflation and mounting staff costs are putting pressure on all the bastions of the Establishment.

Without actually mentioning the financial aspects, they said that the joint organisation would "combine the fine traditions of the past with the needs of today" so that all clubbable Conservatives will now be able to gather under one roof in a "happy social" atmosphere.

Some members of the Junior Carlton may at first find their new haunts somewhat forbidding, with the full-length portraits of former Tory premiers lining the walls. But they will doubtless be looking forward to a dash of colour joining the gallery—when the Carlton's senior lady member, Margaret Thatcher, fulfils the united dream.



Burmese writ FIFTEEN YEARS after the Revolutionary Council led by General U Ne Win seized power Burma has finally discarded the last vestige of British colonial justice.

Off the cuff There will be no spare seats today when Energy Secretary Anthony Wedgwood Benn addresses a luncheon meeting of the Foreign Press Association in Carlton House Terrace.

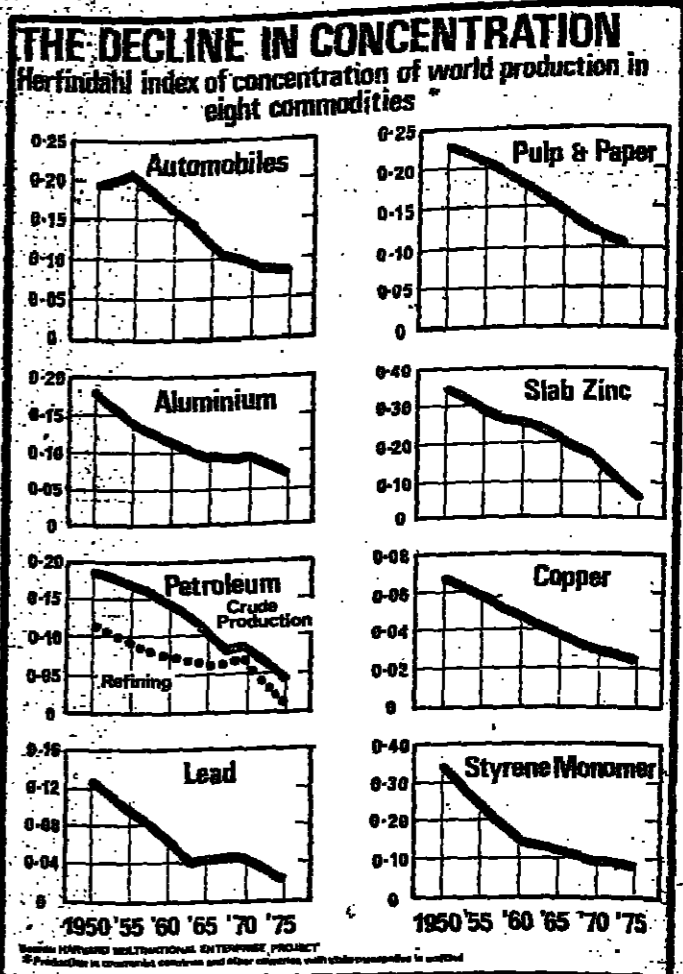
takes him. At the FPA they say: "We have no idea of what the subject will be, although members are naturally very interested in Mr. Benn's views and will welcome the chance to ask him questions."

Unfair to bees

It might seem that nothing could be more appropriate in Silver Jubilee year than to plant a silver lime tree during National Tree Week (November 6-12). If so, spare a thought for the unsuspecting bumble bees of the realm, and plant an oak instead.

It emerges that silver limes, while increasingly popular for their shimmering leaves, can be lethal to bees by the million during a dry summer (well, those do happen sometimes). The phenomenon is now being investigated by the International Bee Research Association and the Forestry Commission.

Off the cuff There will be no spare seats today when Energy Secretary Anthony Wedgwood Benn addresses a luncheon meeting of the Foreign Press Association in Carlton House Terrace.



The graphs show how the degree of concentration in certain major industries, when looked at on a global basis, has declined over the past 20 years. This has resulted from the entry of new multinational and other companies into the markets concerned and hence a fall in the share of world output accounted for by the largest two or three firms.

NOTE: Herfindahl index is a formula for measuring the total number of companies in an industry and their size distribution. The index is the sum of the squared shares of each company, all measured as a proportion of total industry sales. If an industry has five firms each with a 20 per cent share of output and another five firms with 8 per cent, the index is (0.2)^2 x 5 + (0.08)^2 x 5 = 0.208. The more concentrated an industry, the closer the index approaches unity, which is reached when a single firm holds a monopoly.

getting more, to the exclusion of other objectives. The leaders of the industrialised countries have learned to talk about a new state of inter-dependence, but they have not yet assimilated the extraordinary implications of the conditions they profess to recognise. And the managers of multinational enterprises for the most part are still at the stage of hoping that the tension will somehow go away.

The professor argues that there is a need to disentangle conflicting national jurisdictions, so that the unilateral actions of individual states will not have the effect, sometimes inadvertent, of harming other states. This would have to be accompanied by an agreement on common rules which would shape and limit national laws in relation to multinationals. On taxation, for instance, avoiding a clash of jurisdictions would require some agreed rules about how to calculate the profits of the multinational network, as well as rules on transfer prices and the allocation of central administrative costs.

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FINANCIAL TIMES SURVEY

Wednesday September 14 1977

مكثان الأجهل

Argentina

The military regime in Argentina has restored economic sanity and public order, but at some cost to democratic procedures. What the world is waiting to see now is whether the junta can carry its record of success into the political field to produce a matching degree of stability and complete the country's social rehabilitation.

ong
sk
s
lead

gh O'Shaughnessy
America Correspondent

PERONISM IS triumphant in Argentina—at least in economic terms. In politics the situation is more complex. Right-wing opinion and general uncertainty that General Videla, the Argentine President, is obliged to reassure the country last year's election in Washington last year that the country was moving towards Nazism. The country has lived the control of the armed forces, presided General Jorge Rafael Videla since March of last year's election. He was taken out of office by the hands of María Estela Martínez de Perón, widow of Argentina's former leader General Juan Perón. President Videla Perón, who herself

inherited a legacy of political and economic chaos from her late husband, had presided over an administration which in every sense of the word was becoming increasingly bankrupt. The cost of living index which in 1973, the year of General Perón's return to power, had been equal to 100 had risen by the time his widow left office to 1600. The country was unable to meet its foreign debts and Government and guerrillas were outbidding each other in the game of terror and counter-terror.

For many, perhaps most Argentines, Peronists and non-Peronists alike, the intervention of the armed forces which General Videla himself had put off for as long as possible, came as a relief. The situation of chaos had become untenable. The fact that the armed forces had held off for so long gave them all the more excuse to operate drastically in what to most people had become an inexcusable mess. Operate drastically they did and Argentina is now a changed place from what it was a year and a half ago. Party politics has been closed down, the parliament shut, the CGT (the General Labour Confederation, the Peronist congress of unions) reduced to impotence with a government appointee at its head, and guerrilla groups beaten into a shadow of their former selves.

Argentina is certainly no longer bankrupt. Helped by a record harvest and high prices

for its cereals and a great deal of loans won from foreign banks by General Videla's appointee to the Economy Ministry, Dr. José Alfredo Martínez de Hoz, the Central Bank's disposable reserves, which were down to nearly zero in March last year, are now edging towards the \$2bn. mark. The rate of inflation, which was 38 per cent. in that month is now much diminished though, at about 140 per cent. a year, much higher than either General Videla or Dr. Martínez de Hoz would like. Nevertheless, the time is no more when a Peronist union official could complain, "Prices are not going up like a lift: they've taken a rocket to Venus."

Deficit

The budget deficit is still large, \$1.3bn. or 3 per cent. of GNP, but it is a great deal less in percentage terms than it was in the Perón period. Despite the efforts at stabilisation there has not been massive unemployment and the production indices are slowly creeping up. What there has been to worry the nation's present leaders is the continuing low level of real earnings which, according to the labour ministry's August figures, a nasty economic wind begins to blow. The situation, they add, fits being made by foreign companies already established in Argentina. They foresee, too, a slow drop in the rate of inflation since the coming of the Videla Government.



The military Junta. Left to right: Admiral Emilio Massera; General Jorge Rafael Videla; Brigadier (Air Force) Orlando Ramón Agosti.

terms depending on one's disposition. Some pessimists would say that it is highly unlikely that the next wheat crop will bring in the bumper amount of cash that the last one did, that the persistence of a still high rate of inflation combined with continuing low salaries will produce an explosive political mixture, that the military leaders will find themselves at sea as a nation's economic wind begins to blow. The situation, they add, fits being made by foreign companies already established in Argentina. They foresee, too, a slow drop in the rate of inflation since the coming of the Videla Government.

Government Ministers themselves, of course, look on the brighter side. They forecast a rapprochement between Buenos Aires and Washington as the efforts of General Videla to control all forms of terrorism and all crimes against human rights bear fruit. While admitting that little or no new foreign investment has come to the country in the past 18 months they point to the big reinvestment of profits made by foreign companies already established in Argentina. They foresee, too, a slow drop in the rate of inflation since the coming of the Videla Government and a continuing coolness towards Buenos Aires from the EEC.

its value are calmed. They point, justly, to the immense strength of the Argentine economy, the capacity of the farm sector to produce apparently unending supplies of cereals and meat, to the oilfields which are producing up to 90 per cent. of the country's needs and to the skills of the workforce, the most technically competent in Latin America. They point, too, to the potential for developing the farm sector still further and of making Argentina into one of the world's greatest producers of processed foods rather than, as now, an exporter of raw foods. They say, again justly, that the oilfields are capable of a great deal more development, as is the whole mining sector from uranium to copper. They add that Argentina has the skills to become a major exporter of manufactured goods, even capital goods.

The economic future doubtless lies somewhere between the optimism expressed by Dr. Martínez de Hoz and his team and the pessimism of the sceptics, though it would be fair to bet on it being nearer the former than the latter. But in the last event the future of the economy in Argentina is something of an irrelevance. No one has ever doubted that the Argentines are sitting on a stronger and more diversified economy than any in Latin America. It has always been the political question that has been the preoccupying one in the life of the country. That political question appears to be as un-

resolved as it ever has been, until it is resolved it is unlikely that Argentina will achieve the maximum realisation of its potential.

For more than three decades now the principal political fight in Argentina has been between the supporters of the figure of General Juan Domingo Perón and the forces of the establishment. Ever since he first came to prominence in the mid-1940s Perón exercised a hypnotic appeal over much of the working class of Argentina. The tragic romance of much of the country with Perón was summed up on thousands of different occasions; the brilliant life and sad death of Evita Perón, his second wife, who was the object of something approaching idolatry, the faithfulness with which his supporters held to his cause in the years between his overthrow and exile in 1955 and his return to the presidency in 1973, the grief—typified in a famous photograph of a young soldier in a steel helmet in tears during his funeral—at his death in 1974 and the continuing strength of the Perón legend even during the presidency of his third wife María Estela, when it was clear that Peronism was ideologically nothing more than loyalty to the leader, a loyalty which in its most successful moments was able to throw a cloak over a disparate collection of honest men, mountebanks and desperadoes, politicians of the left, the centre and the right.

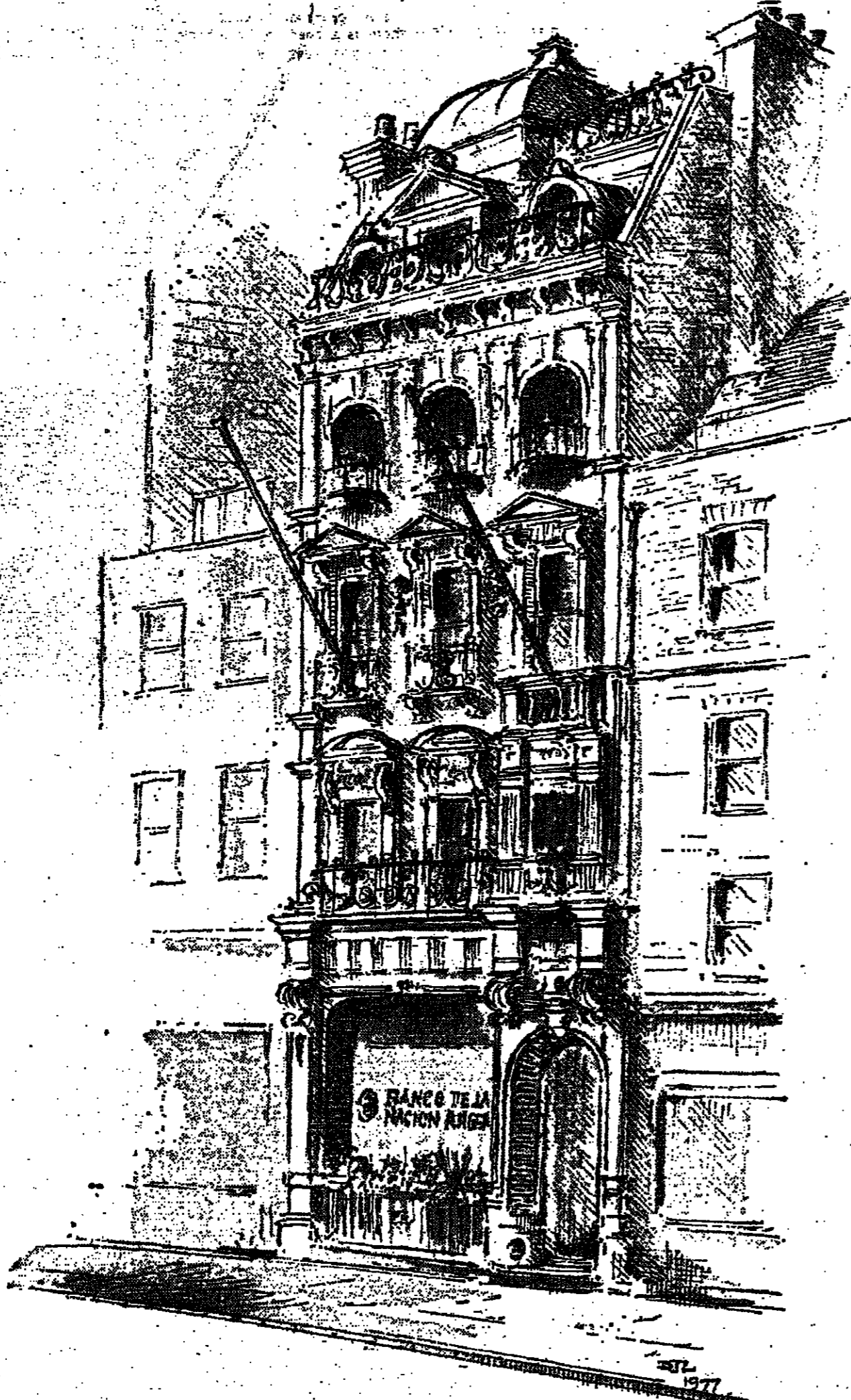
Despite Perón's death and 2 months of inept government by his widow, the legend of Perón is still alive. The magic of his name is such that millions would doubtless rally to María Estela Perón if she were allowed out of the naval arsenal where she is at present confined and were given the opportunity of making a political appeal.

Legend

Earlier this month in private conversation a senior naval officer commented, "The slogan 'Puto o ladrón/Queremos a Perón' is still as valid as it ever was" (freely translated the slogan means "However bad he is we still love Perón"). Despite the fact that many Peronist leaders have been revealed as totally unscrupulous and that the left wing of the Peronist movement, and in particular the Montonero guerrillas, are veering off towards Marxism-Leninism the magic is still there.

Having done their best to crush both Montoneros and the fully Marxist-Leninist ERP or People's Revolutionary Army in a campaign which had much in common with the procedures used by General Augusto Pinochet in Chile, Argentina's present leaders are putting their minds to the drawing up of a National Project or constitutional system which would ensure against any return to Peronism. This has been entrusted to the hands of General

CONTINUED ON NEXT PAGE



Banco de la Nación Argentina
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ARGENTINA II

A country in fear

THE VIDELA Government has had international image as far as human rights are concerned. The reason is quite simply that the record of the military authorities on this score since they assumed control of the country in March last year is a bad one.

Argentine authorities, whether military or police, have been generally successful in hushing up many of the worst cases. The information in the possession of the U.S. Government, which has moved President Carter to make his protests against human rights violation, and the balanced and detailed report published earlier this year by Amnesty International leave room for no doubt that terrible things have happened in Argentina on a wholesale scale since March 1976—as indeed to a certain extent was the case under the Peron administrations and the earlier military Governments.

What the exact toll of life has been, what the extent of the tortures inflicted on the innocent and what has been the number of straightforward kidnappings by Government and by Government forces in the past year, the Government generally presents the case that there have been no violations of human rights, some officials seek to justify events by human rights and that the differences in attitudes towards human rights among different components of the armed forces make the job of securing a better respect for human rights a delicately diplomatic one.

There is no doubt that if President Videla were overthrown by some of his rivals in the armed forces the situation could become a great deal worse, one leading campaigner commented. Another made the point that in a very fluctuating situation there were signs of brakes being put on the terror machine, as testified by the decision to let out of confinement figures like Antonio Di Benedetto, a leading writer and journalist who had been held without charge since the military coup. "At the same time we realise that a guerrilla attack on another general could set the whole process of a gradual detente back by months if not years," another campaigner said.

The hard line of the army on the human rights problem was probably best summed up by the commander of the Third Army Corps, General Luciano Benjamín Menéndez, at the beginning of the month when he claimed that the Third World War had already broken out in Argentina and that it was now a question of "either the destruction of democracy or the complete annihilation of Communism."

Task CONTINUED FROM PREVIOUS PAGE

amón Genaro Díaz Bessone who, according to the leaks, seems to be considering elections under new rules about 1991. The rules would probably seek to isolate the Peronists from any coalition with the parties which were formerly associated with them and break down once and for all the monolithic centralised power of the CGT, the Peronist-controlled labour confederation now in the power of a Government appointee.

The difficulty with this National Project, or indeed any other political scheme being at present put together, is that none of them can count on a consensus among the different groups in the armed forces. Like Gaul, the armed forces are divided into three parts and the rivalry among all three is intense, particularly between the army, the predominant arm, and the navy, which is a close second in political consciousness and aspirations. The situation between the army and navy is made all the more complicated by the fact that the latter is now led by Admiral Emilio Massera, an officer whose political subtlety is matched by few others. He has been able to lead

the navy away, for the moment at least, from ultra-conservative political postures, and it has been the navy recently that has been expressing privately its preoccupation at the fall in living standards among the population as a whole as a result of the policies of Dr. Martínez de Hoz, who himself is strongly backed by General Videla.

Two years have not passed since the air force was at odds with itself. Brigadier Jesús Orlando Capellini having revolted and put his commander, Brigadier Héctor Luis Fantaric, under lock and key at the Buenos Aires downtown airport and demanded with a quotation from Saint Paul, the immediate overthrow of the Perón government.

The army itself is not without its internal difficulties. The two main strands in the army's political thought, a populist one and an aristocratic one, were well illustrated at the beginning of the Perón period in the support and the opposition offered by the army's own ranks. In the 1960s the two groups within the army came into open confrontation in the streets of Buenos Aires. The confrontation between

The capitalist approach

"ONLY GOD knows how long increases are the only means of entering a labyrinth, and we do not know how it is going to get out of it."

Dr. Martínez de Hoz for not having conceded that Argentina is no longer threatened with hyperinflation, as at the time of the 1976 coup, he attacked Dr. Martínez de Hoz for not having "adequately to the most serious and most important of the socio-economic problems: inflation."

Dr. Martínez de Hoz for not going far enough, or rapidly enough, in the monetary and financial clean-up, which could have been the framework for some indispensable structural reforms, such as putting an end to monetary and financial manipulations, reducing to the minimum the Treasury's contributions to State enterprises and selling the "generally insolvent" State concerns.

Table with 2 columns: Category and Value. Includes Area (1.08m. sq. miles), Population (23.7m.), GNP (1,341bn. pesos), Per capita (57.4 pesos), Trade (1976) (454bn. pesos), Imports (742bn. pesos), Exports (663.5m.), Imports from U.K. (59.6m.), Exports to U.K. (59.6m.), Currency (1=778 pesos).

rights is still unused—reports that Argentina and Chile have rates of inflation which still exceed 100 per cent. According to the IMF, Dr. Martínez de Hoz's efforts to reduce inflation (which reached 488 per cent last year) have had considerable success: inflation dropped to 150 per cent a year by April.

Some of the detractors of Dr. Martínez de Hoz maintain that the high interest rates being offered are persuading countless small industrialists to sell out and invest their savings, thus allowing themselves to live comfortably without working—and without having to contend with the myriad laws which beset the entrepreneur in Argentina. Be that as it may, Argentina's national gross product increased during the second quarter of this year by 4.7 per cent over the figure for the same period last year. This was the highest increase in the GNP for several years, during which—except for the first quarter of this year—the GNP had been declining.

Robert Lindley

Martínez de Hoz



Dr. José Alfredo Martínez de Hoz, Minister of Economy.

THE NAME Martínez de Hoz is carved in stone at the entrance to one of the most exclusive landowners clubs in Buenos Aires on a memorial to one of its founders. The name has for a century or more been synonymous with a great deal of net worth and strong ties with the land. Dr. José Alfredo Martínez de Hoz, General Videla's Economy Minister, has fought shy of being described as one of the richest men in Latin America but he makes no secret of his love of horses, of which he owns a considerable number, is well known.

Since his appointment to the Economy Ministry shortly after the March 1976 coup d'état, Dr. Martínez de Hoz has followed a policy of conservative orthodoxy in economic matters, a task which has been greatly assisted by the military's decision to disarm the trade unions of most of their weapons and to let prices surge ahead of wages.

He has recently been defending himself vigorously against criticism from Professor Milton Friedman, who has advocated the adoption by Argentina of "shock tactics" to halt inflation. Martínez de Hoz has defined his own policy as a reaction to the "excessive gradualism" that had been used against the problem of inflation before he came to office. His policy he defines as "active gradualism" and in that, as with the case of his political thought, he has much in common with Dr. Roberto Campos of

Export successes

"SIX MONTHS that are worth a price went up in the first six months of this year by 51.1 per cent, and the rates of exchange by 43.1 per cent. The difference represents the variation in the wholesale price index in the United States. It is expected that this will permit Argentina to maintain a competitive level of the cross-section of the country's production in the American market, for example: all foreign trade calculations are done in dollars.

Partly because of the relatively low level of Argentine imports last year, and partly because of the recovery in economic activity, imports during the first half of this year increased over imports during the same period last year. The \$1.9bn. worth of goods imported during the period was 45 per cent more than during the same period last year. Last year imports declined by about 25 per cent from the levels of 1975, and there is a possibility that the 1975 level will be reached this year. Two years ago Argentine purchases abroad were activated not so much by any outstanding economic activity in 1975 as by the fact that the cost of foreign currency was rising so rapidly that the Government has decided to open up the economy considerably to the foreign market and has lifted nearly all

restrictions on imports. But in Argentina's foreign trade during the first half of 1977 were achieved in spite of very favourable world market prices. Argentina could end the year with exports totalling \$5.5bn. and imports totalling \$3.9bn. This could leave an unprecedented surplus of \$1.6bn. It should be borne in mind of course that exports have declined during this second half of the year because of fewer shipments abroad of raw materials and fruit, shipments which will have to wait for the next harvest to pick up again.

Robert Lindley

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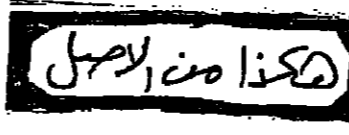
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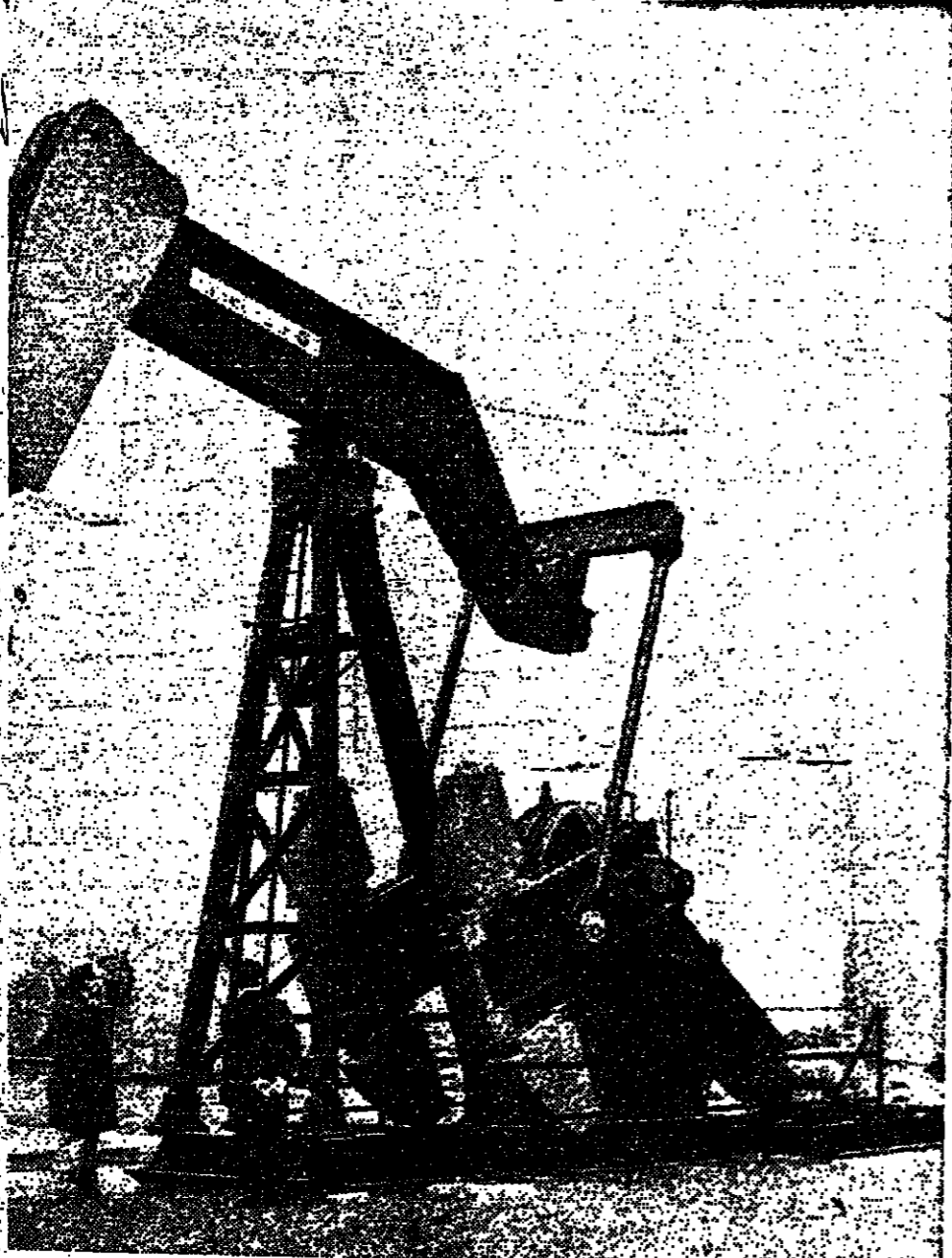
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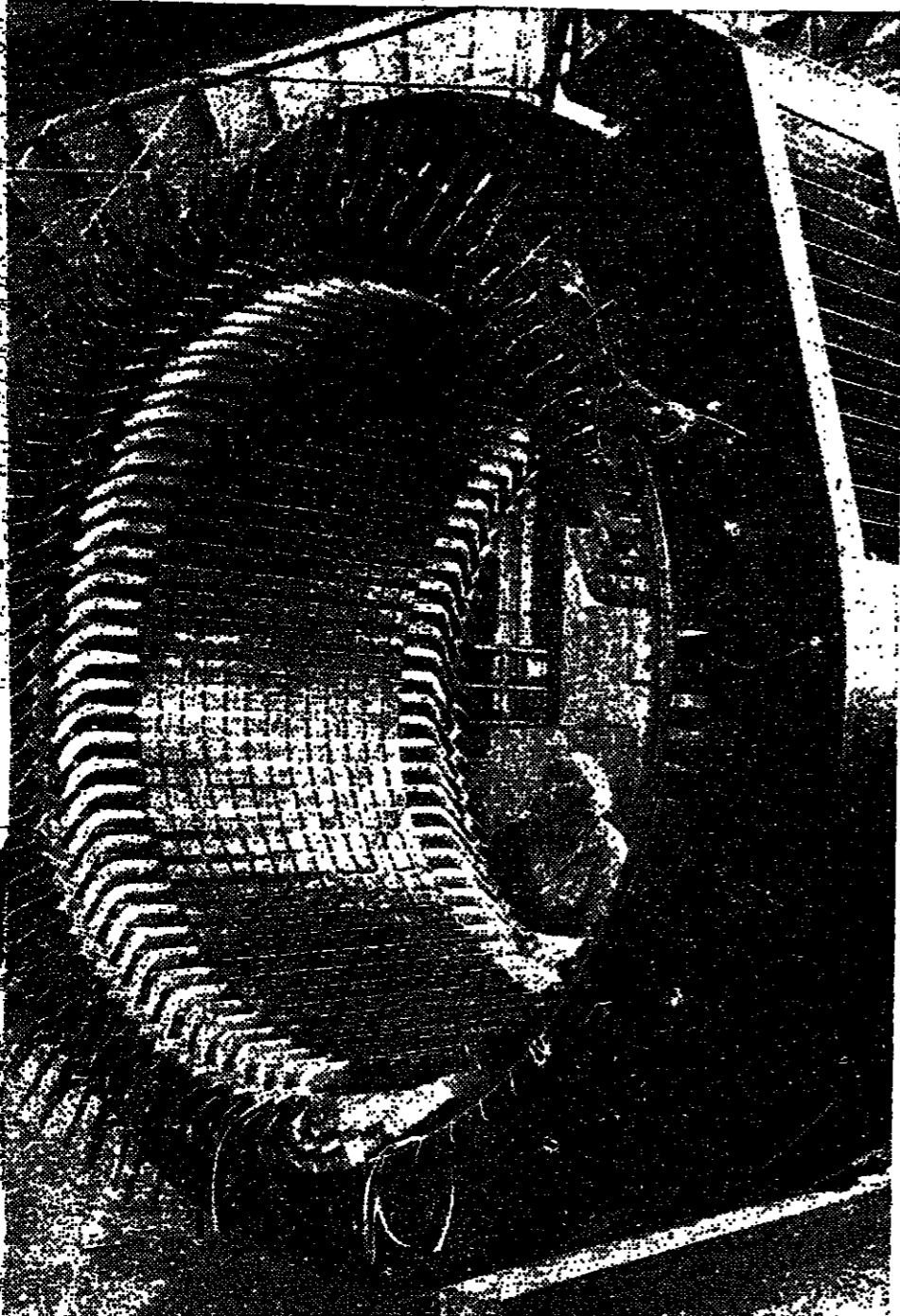
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STATISTICS



...pumping equipment, produced by SIAM DI TELLA Electromecánica Division. It has supplied 3,000 units of this equipment to the Argentine State Oil Company.

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...cess of a 18,750 KVA alternate current generator, for electric plant, produced by SIAM DI TELLA, Electromecánica Division plant.

SIAM is a large industry of mechanical products and heavy electro-mechanical equipment, such as petroleum pumping equipment, secondary petroleum recuperation pumps, power and high-power transformers, motorgraders, motors and generators for railways, large diameter pipes for petroleum mains and gas mains, etc. These represent 90% of the company's output. It also produces consumer durable goods, such as electric refrigerators, air-conditioners and absorption refrigerators.

As the Argentine Republic has already taken an important step in its economic recovery, the immediate priorities of SIAM are to furnish the company with modern equipment and methods of production aimed at attaining a technological perfection and efficiency comparable with the best international companies producing these types of products.

For the medium and long term we are considering carrying out a process of company expansion in accordance with the development programmes the Country is presently undertaking.

With regard to the development of the market, we must bear in mind that in the future there will be a big demand for power and high-power transformers for motors and generators for railways and good prospects for petroleum pumping equipment, secondary recuperation pumps, ironware for petroleum and tubes for secondary recuperation and gas and oil mains pipes.

Moreover, through continuous technological development and improvements in quality, the company has penetrated the U.S. market of absorption refrigerators for trailers. We estimate that exports this year will reach nearly seven million dollars.

At present we employ 5,000 people and in the first quarter of this year alone much higher production and sales were obtained than those for the same period in previous years.

In step with the Argentine Republic's recovery we intend to keep an adequate profit, so as to apply it in a greater proportion to productive investments. At the same time we shall maintain expansion in line with the general development of the country.

The present financial situation of SIAM is quite good and we don't foresee financial problems in the near future, and we are well prepared to withstand the constant changes in international financial systems.

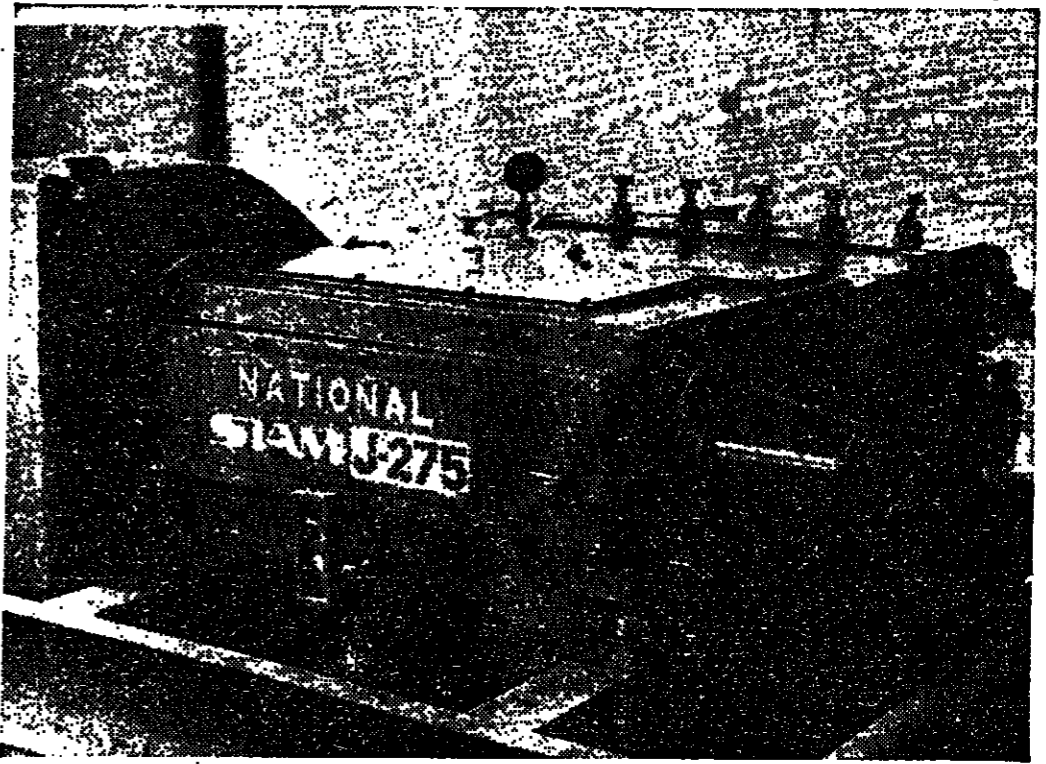
We wish to mention very especially the fact that after many years SIAM at its 30.6.77 closing, gave a dividend to its private shareholders and to the shares in the State's hands.

SIAM DI TELLA'S FACTORIES

ELECTRODOMESTICA DIVISION: Located in Avellaneda, Buenos Aires Province, has a 96,620 square metre factory building and 2,200 people (workers and employees).

SIAT DIVISION: The plant is located in Valentín Alsina, Buenos Aires Province; the factory is a 38,731 square metre building and 1,200 people work there.

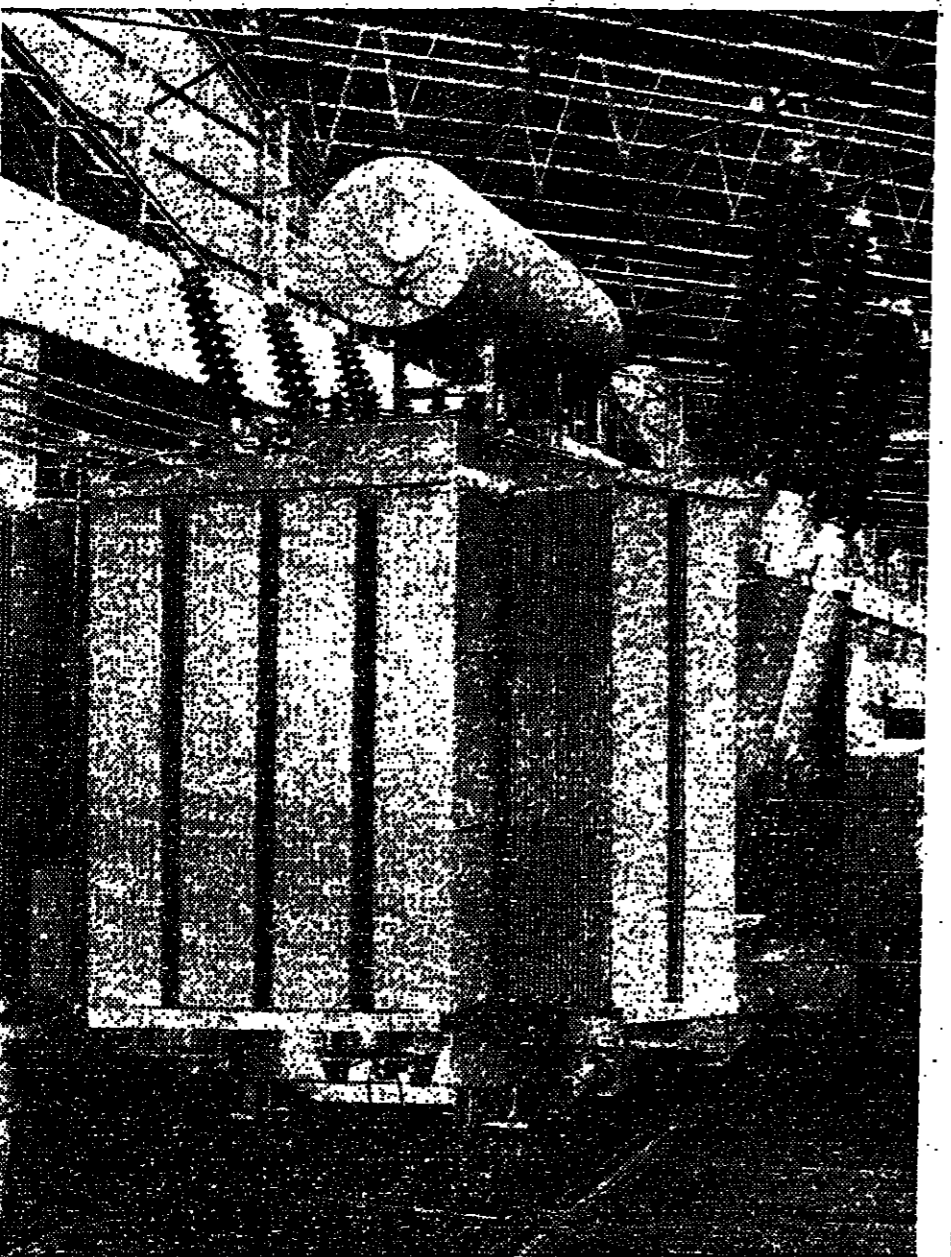
ELECTROMECHANICA DIVISION: The factory in San Justo, Buenos Aires Province, has 40,000 square metres and 1,500 people work there. With the employees working at SIAM DI TELLA's head office situated in Buenos Aires City, the company employs 5,100 people comprising engineers, technicians, clerks and workers.



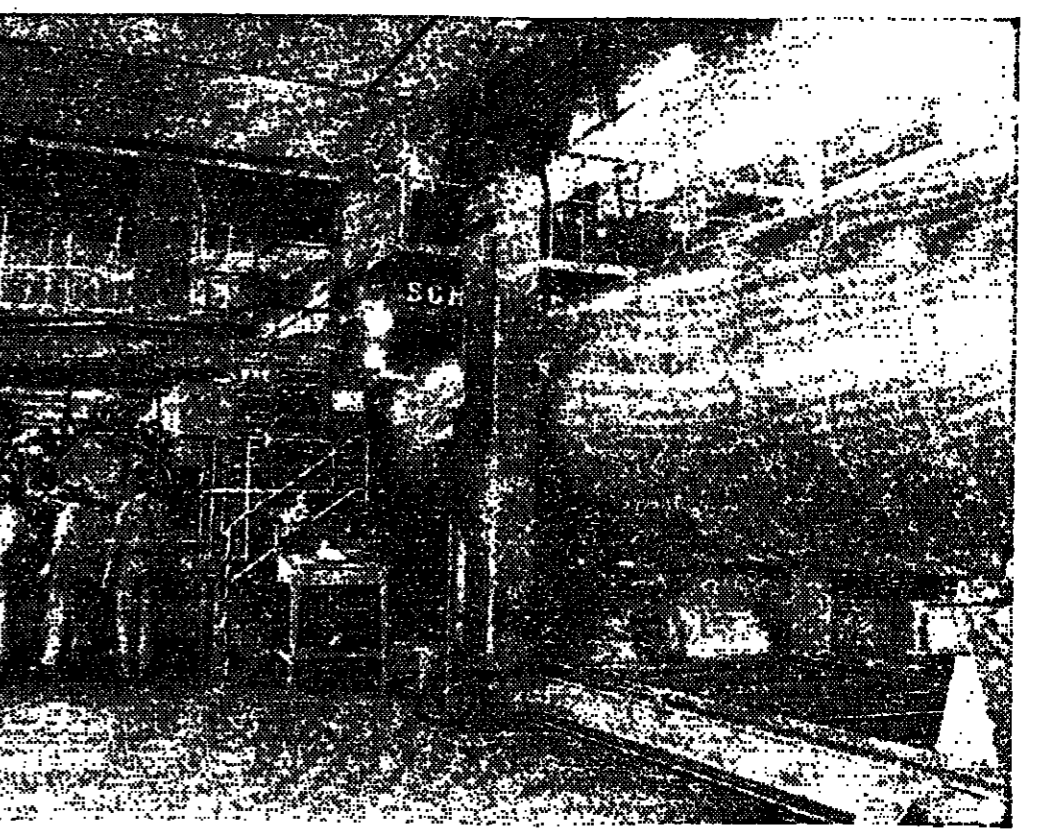
SIAM-NATIONAL pump; 2,606 cubic metres daily capacity. These pumps can work with maximum efficiency in a wide range of uses.



138 HP Motorgraders produced in the Electromecánica factory, under licence from



transformer—150,000 KVA—built in SIAM DI TELLA. The Electromecánica present able to produce units up to 300,000 MVA.



the 300000 section pipe of 2 metres internal diameter. SIAM's plant produces a wide range of pipes with longitudinal seams, for gas and petroleum mains in Argentina and other Latin American countries.

de Ho

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ARGENTINA IV

Improving climate for industry

IN JULY, Argentina's Economy Minister José Alfredo Martínez de Hoz, said in a speech: "I must refer to the importance we give to the export of manufactured products, and I want to remind you that in the first six months of this year, the level of manufactured exports was more than a third higher than it was during the first six months of 1976."

ratio of 2.3 vehicles for each inhabitant. It is fair to compare the production rates of these three countries because all are experiencing integral development of their industrial and livestock and agricultural sectors. Argentina's automotive industry was started in 1951, but its installed capacity today is below that of Brazil's, which as late as 1965 hardly had any at all.

Along with other industrialists in Argentina, the automotive vehicle manufacturers here deplore the high price tags on their products, which in some cases—most notably tractors—are double the price of comparable models in other countries. And these prices undoubtedly will go up still further if the costs of vehicle components continue to increase.

Industry's staple need, sheet steel, is three times cheaper in Brazil than in Argentina. Although Argentina has voluminous iron ore deposits, investors have shied away from exploiting them because of a 1919 mining code—only recently brought up to date—which allowed miners to keep their idle claims alive for a few cents a year.

In the same July speech, Dr. Martínez de Hoz gave manufacturers in Argentina reassurances that they can depend on a solid future with a vigorous and thrusting industry. But he admonished that if the country wanted a strong industry, it would have to pay for it.

Suitable

A case in point—an especially suitable one, inasmuch as metallurgy, casting, aluminum, wood, glass, textiles, leather, rubber and other elements are involved—is Argentina's automotive industry. The country's ten automotive vehicle manufacturing companies have capacity for about 350,000 units a year and in fact turned out 300,000 units as recently as 1973.

There are those here who are urging the government to permit the free import of cheaper foreign-made vehicles, a revolutionary (for Argentina) measure which would force the local automotive vehicle plants to close down. The local manufacturers naturally object, not only because such a measure would enrich the manpower, raw material sectors, tax coffers and technological development of foreign countries at the expense of Argentina, but would also cost the country annually more than \$1.4bn.—about 25 per cent of its total export earnings—to import foreign-made vehicles.

Most important for the future of Argentina's economy, however, is Fabricaciones Militares pledge to begin exploitation of the iron ore deposits in the Sierra Grande Basin in the Patagonian province Rio Negro by the end of the year. A daily production rate of 14,000 tons of iron ore is foreseen for Sierra Grande, which is 750 miles south-west of Buenos Aires. This would mean the extraction of 3.5m. tons annually, which after being spe-

cially treated and concentrated would yield 2m. tons of pellets. The final product of the ore from the Sierra Grande Basin would be 69 per cent iron and 0.1 per cent phosphor. The pellets will be transported from the concentration plant at the mouth of the Sierra Grande mine by river boats, sea-going vessels and railway to their destinations. Two million tons of Sierra Grande pellets annually would mean the substitution of \$80m. in imports, counting the price, freight and import cost of pellets. With the exploitation of the Sierra Grande Basin, Argentina will begin a new stage in its mining history.

They contend, surely correctly, that there is a potential base here for the development of the industry beyond its present volume. And in fact at its present rate of growth, the Argentine automotive industry would need 26 years to reach Australia's and New Zealand's

rest automobiles—is in fact exporting automotive vehicles. \$120.5m. worth of them last year, when total production had a value of about \$1.165bn.

Second What amounts to a new steel plan, to permit Argentina's economic take-off, is now being implemented. SOMISA has put its second mill into operation and is proceeding with its plan to construct a third converter at its San Nicolás plant.

Dr. Martínez de Hoz, however, has not turned a blind eye to these aspirations. For example, the soon-to-be promulgated Industrial Promotion Law will shorten the time between the presentation of a project and its acceptance by the authorities. He promises that under the new law the time necessary should be "not more than a year."

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Argentina's traditional beef exports to Europe suffered as a result of EEC regulations—but they are beginning to pick up again.

A new bloom in agriculture

IF ARGENTINA'S gross foreign reserves went from \$1.38bn. to \$1.82bn. in the first half of this year—to total an unprecedented \$2.73bn. at the end of June—and if the national gross product had been growing this year for the first time in several years—4.7 per cent in the second quarter alone—the sector mainly responsible is agriculture and livestock.

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free competition, an industry which was bankrupt has become the most important in the national economy. The question now is, can this situation be prolonged? It is possible, of course, but the conditions which brought about the Argentine rural sector's revival are not likely to be repeated soon.

Also, by way of trying to help exports, industrial as well as others, the government has approved the establishment of 66 commercial offices in 30 countries.

So it is that in slightly more than a year, by giving free rein to the rural sector so that it could deploy itself by the precepts of private initiative and

the Argentine rural sector has three causes. First, and most important, Dr. Martínez de Hoz's economic team has freed foreign trade with two measures: One is the reduction or elimination of retention taxes, which at the time of the March 1976 coup d'état were taking a cut of 58 per cent of the export prices of cereal grains and oleaginous products. The other is the elimination of the ban on certain exports.

They contend, surely correctly, that there is a potential base here for the development of the industry beyond its present volume. And in fact at its present rate of growth, the Argentine automotive industry would need 26 years to reach Australia's and New Zealand's

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Vitality

The second reason for the new vitality of the Argentine rural sector is the fact that the different types of exchange have been reduced progressively, so that by the end of 1976 there was only one type, and the realism shown by the economic team in the matter of the peso exchange rate, a realism which multiplied the effects of the freeing of the foreign trade.

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Carefree

The carefree attitude to wine labelling has in more recent years been made yet more carefree by the attitudes of some wine producers in trying to "trade up" their products. It has not been rare for producers to launch new wines on the market at a premium price, which price has tended to over-

be changing. Though it has represented only a little more than 1 per cent of the country's production, the export trade is being given increasing attention and the controls on quality and labelling for export are being tightened up by the Government.

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Wine begins to travel

THE STATISTICS about wine production in Argentina, like that about much else in a country as large as this, are numbing in size and complexity. Argentina is the world's fifth largest wine producer. It makes about 25m. hectolitres of wine every year from 32m. tons of grapes culled from 360,000 hectares of vineyards and passed through 2,000 wineries.

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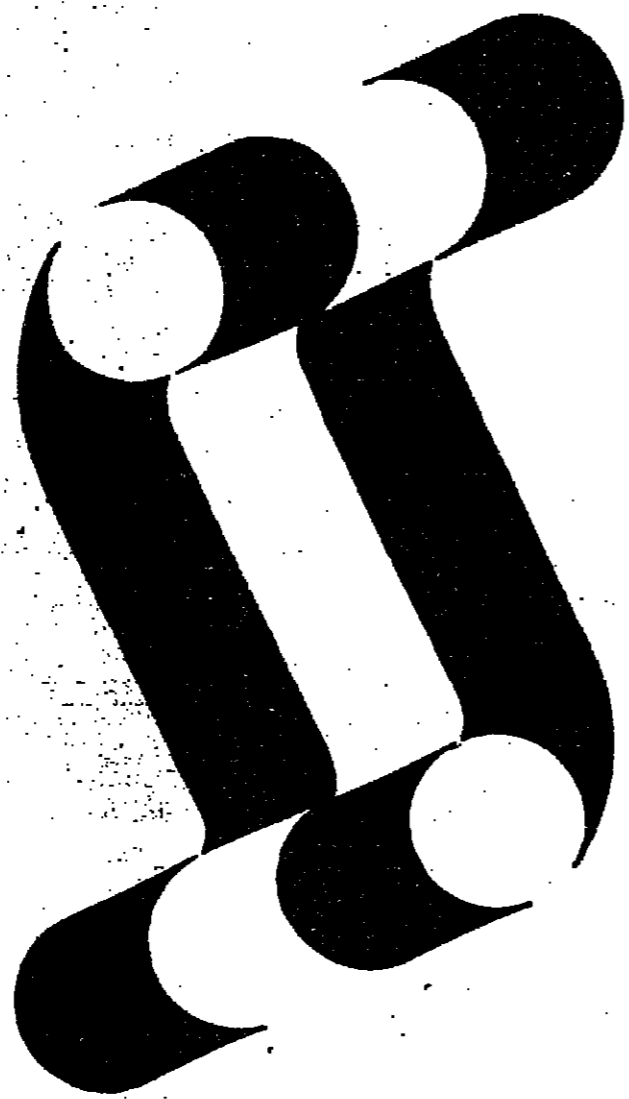
The future of Argentine red meat exports has much to do with what happens in the EEC, which as a result of the financial crisis in mid-1974 reduced their imports to protect their trade balances. This cut the world market for red meat by about 1m. tons—notwithstanding that, according to a recent study by the Argentine Government's National Meat Board, steers sell for \$1.30 a kilogramme on the hoof in Denmark, \$1 in the U.K., \$1.70 in West Germany, \$1.65 in France, \$1.55 in Italy, \$1.50 in Spain (in Japan \$3.80), compared with \$0.36 in Argentina. The reduction of imports by the EEC in 1974 sent the world market price of a ton of red meat from about \$1,000 to \$500. This hit the Argentine economy hard. 1—Its meat export dropped from 580,000 tons to 290,000 annually. 2—Not only was the export volume halved but the price per ton for which it could be placed abroad was halved as well, reducing its earnings to a fourth of what they had been. 3—Inasmuch as raw materials on the world market are quoted cash down, financial suffocation developed.

The EEC countries are buying Argentine red meat again, is evident by the recent figures, but the market has not been completely re-established. Most observers, including the Rural Society, believe that a certain that this will not come about, and that the world market price will not rise again until the EEC countries finally liquidating their huge stocks. This liquidation is in process, and it was hurried by the drought in Europe. "But," said Sr. Perera, "the only way to put an end to the surpluses is to stop subsidising agricultural and stock production," which he thinks the EEC countries are doing "in a most absurd way."

Cheaply

The Argentinians are used to buying beef cheaply, and eat between 80 and more than 100 kilogrammes of it per capita annually, depending on the state of the world market. Good export years, about 25 per cent of Argentine beef production is sold abroad; in export years, this is reduced to about ten per cent. Right at the severe drought in recent months has made more available for domestic consumption, and at cheaper prices, would otherwise be the case because more is being brought on to the local market than is needed. "In real money," Sr. Perera, "the price of beef has dropped since February." He added: "I must stop thinking that we get everything dirt cheap at the expense of the agriculture livestock sector, while we 100 per cent more for cars, tractors, than they cost on international market."

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ARGENTINA VI

Ambitious shipping plans

WHEN THE Argentine Government decided, at the beginning of the Second World War, to form its own merchant navy, the British editor of the English language daily, Buenos Aires Herald, wrote a leader disparaging the seafaring skills of the Argentines and headlined it "Gauchos at the wheel." At the time, the leader exacerbated the already more than latent Anglophobia among many elements in this country. The Herald is still trying to live down the leader, as was admitted by its current editor, another Briton, in the newspaper's 100th anniversary edition a year ago.

To-day "Gauchos" are at the wheels of the 48 ships which make up ELMA (Empresas Lineas Maritimas Argentinas) the national shipping line. Combined, they add up to a 575,000 tonnage. This year the line will add six new freighters to the 34 it already has, and ELMA's plan is to incorporate 29 new vessels within the next five years. Ten will be built in local shipyards and the rest in Spain, West Germany and Britain. The investment required for this is estimated at \$132m, which ELMA expects to get from foreign banks. In 1940, the national shipping line started with a tiny fleet of ships whose average age was more than 21 years. By 1945, it had increased to 45 years but now it is about 19 years and—predicts retired Rear Admiral Pablo F. Belaustegui, named President of ELMA in May last year, two months after the coup d'etat—it will drop to slightly more than seven years by 1978.

Profit

Notwithstanding the fact that Admiral Belaustegui has retired several obsolete ELMA vessels from service, with the result that the line is transporting less freight, it is known that the fleet made a considerable profit—exactly how much has not been announced—during the first half of this year. The ELMA president ascribes this achievement largely to the severe measures taken during the second quarter of last year to reduce costs and superfluous expenses by rationalising provisioning, reducing personnel and, on the termination of contracts, getting rid of leased vessels. Another factor, he said, was the implementation of precise labour norms, which have been respected, in the port of Buenos Aires, resulting in lower operating costs.

Withdrawal

Admiral Belaustegui has not only ordered the withdrawal of obsolete vessels from the ELMA fleet and embarked on a campaign to build or purchase new ships to augment it, but has managed to cut down operating costs considerably. In the first six months of 1975, for example, ELMA lost more than \$9m, but in the same period last year made a profit of more than \$2m.

As Admiral Belaustegui sees ELMA's future, the incorporation of vessels now under construction will result, on the one hand, in the raising of the personnel's professional ability, making it possible for them to handle the new propulsion, navigation and communication systems. On the other hand, the Admiral says, technologically advanced vessels will lead to the reduction of crews because the new ships will be automatic to a greater degree.

Argentina's shipping is performed by State-owned companies—the River Fleet and the fleet of the State oilfields combine, YPF, as well as ELMA—and by private companies, the

two sectors being divided about half-and-half in tonnage. Annually the country generates about \$500m. in freight charges, only about a third of which remains here.

Argentina's shipbuilding industry can now offer vessels to foreign purchasers at competitive prices. Latin American merchant navies' demands for vessels are growing. Venezuela, especially, has an ambitious equipment plan for its national line: the purchase of vessels worth \$1.5bn. by 1980. Ecuador is equipping itself with ships and has earmarked \$800m. to acquire them. Colombia, too, is in the market.

According to Horacio Salduna, an Argentine maritime transport adviser to the Organisation of American States and to the Latin American Free Trade Association, the most likely purchasers in South America of vessels made in Argentine shipyards are Venezuela and Colombia. "I think Argentina is in a better position than Brazil to place its ships," says Sr. Salduna.

"With Colombia and Venezuela we have an unfavourable balance of payments. So from a trade point of view, both are more interested in buying ships from Argentina than from other countries. And our vessels have good technology, high quality and suitable prices and moreover are sailing on all the seas to prove it."

Competitor

There is no doubt that Brazil is Argentina's only serious Latin American competitor. But the Argentine industry is burdened with difficulties which the Government is endeavouring to remove. Citing Venezuela and Ecuador's



The harbour and docks in Buenos Aires.

projected spending on ships, that there are certain units which cannot economically be pointed out, made this statement before the Government set up a commission to study the matter. The buyer of a ship notices about relating the "buy Argentine" what components are in it. It is necessary to provide it with the "buy national" law. Equipment that can be replaced in any part of the world." Sr.

R.L.

Remedying the railways' ills

IN 1974, on the last day of the depression and the war. By Argentine railways were in 1967 only 49 per cent of the network's steam locomotives—hands, a young land and cattle broker took the night train from Buenos Aires to Rosario, the grain port on the River Paraná 180 miles to the north-west. The service was excellent, the dining car set as usual for a banquet, the food and wines exquisite and the timetable rigorously adhered to, the broker recalls to-day. The next day, having finished his business in Rosario, he boarded a train to return to the capital. It was more than an hour late, the dining car was unkept, the pantry understocked and the staff suddenly scarce.

What had happened of course between the one train ride and the other was that the Argentine railways had become "ours," as the Peron Government, then in power for barely a year, put it. Dipping into the Central Bank coffers, overflowing with gold bars which Argentina had amassed mainly by its lucrative food exports to the Allied nations during World War II, President Juan Peron had bought the railways, even though they shortly were to fall into the Government's hands free of charge.

In the 90 years the railways had been privately owned, they had made money every year except one, back in the 1860s. In the 30 years since they have been nationalised, they have been losing money steadily, so much in fact that the State Railways are the greatest single burden on the national Treasury, and were losing \$2m. a day when the armed forces took over in March last year.

The principal ills that beset the railways virtually from the moment of nationalisation were:

- The political regulation of tariffs. President Peron kept the rates low to please his "desempeñados"—shirtless ones. One of his underlings even claimed that "the revolution was accomplished by locomotive."
- The use of the railways as a catch-all source of jobs for the shirtless ones. The railway workforce became hugely inflated.
- Poor management, much of it appointed for its political rather than technical merits, complicated by rapid turnover. This was a persistent evil which was not eradicated when Peron was toppled from power in 1955. In the years 1956-1966 the railways had twenty successive presidents.
- An equipment problem, inherited from the British, who did little re-equipment during

the 1967 only 49 per cent of the network's steam locomotives and 61 per cent of its diesel-electric engines were functioning. Less than two-thirds of its freight cars were in use.

Notwithstanding the fact that the present de facto government set about remedying the railways' ills immediately after the coup d'etat last year, the 1976 railway deficit burgeoned by 140 per cent. In view of this Argentina indeed was fortunate in having a trade surplus of about \$1bn. during the first half of this year. Moreover, the prospect is that the balance of payments by the end of 1977 will be about that much also.

On the occasion of the 120th anniversary of Argentina's railways (August 30 this year), the network's president, Army Gen. Tomás José Caballero, summed up the Government's "Beeching Plan" in this way: "We foresee a modern railway, fast and efficient, structured for the transport of massive loads of goods over long distances, a safe railway, comfortable and fast for passengers on the runs between cities. Simultaneously, we are working to balance outlays and resources." The Transport Under-Secretary, Ezequiel Ogueta, thinks that the railways can break even in three years' time.

Military

Many of the members of the military team who worked within the network from 1967 to 1973—the year the Peronists returned to power—are putting together a five-year plan with the assistance of Italy's Italcon-sulting firm, which was chosen for the job by the World Bank. Gen. Juan Carlos Onganía, who seized power in 1966 and was the first of a series of three military presidents who held on for a total of seven years, initiated a railway rationalisation plan of his own which achieved much but whose accomplishments were frittered away by the Peronist Government which followed. In January, 1967, President Onganía named an army transportation expert, Gen. Juan Carlos de Marchi, as president of the State Railways. Gen. de Marchi first tackled the management problem, streamlining administration and station operations, centralising procurement and setting up special programmes to teach conductors and dispatchers more efficient techniques.

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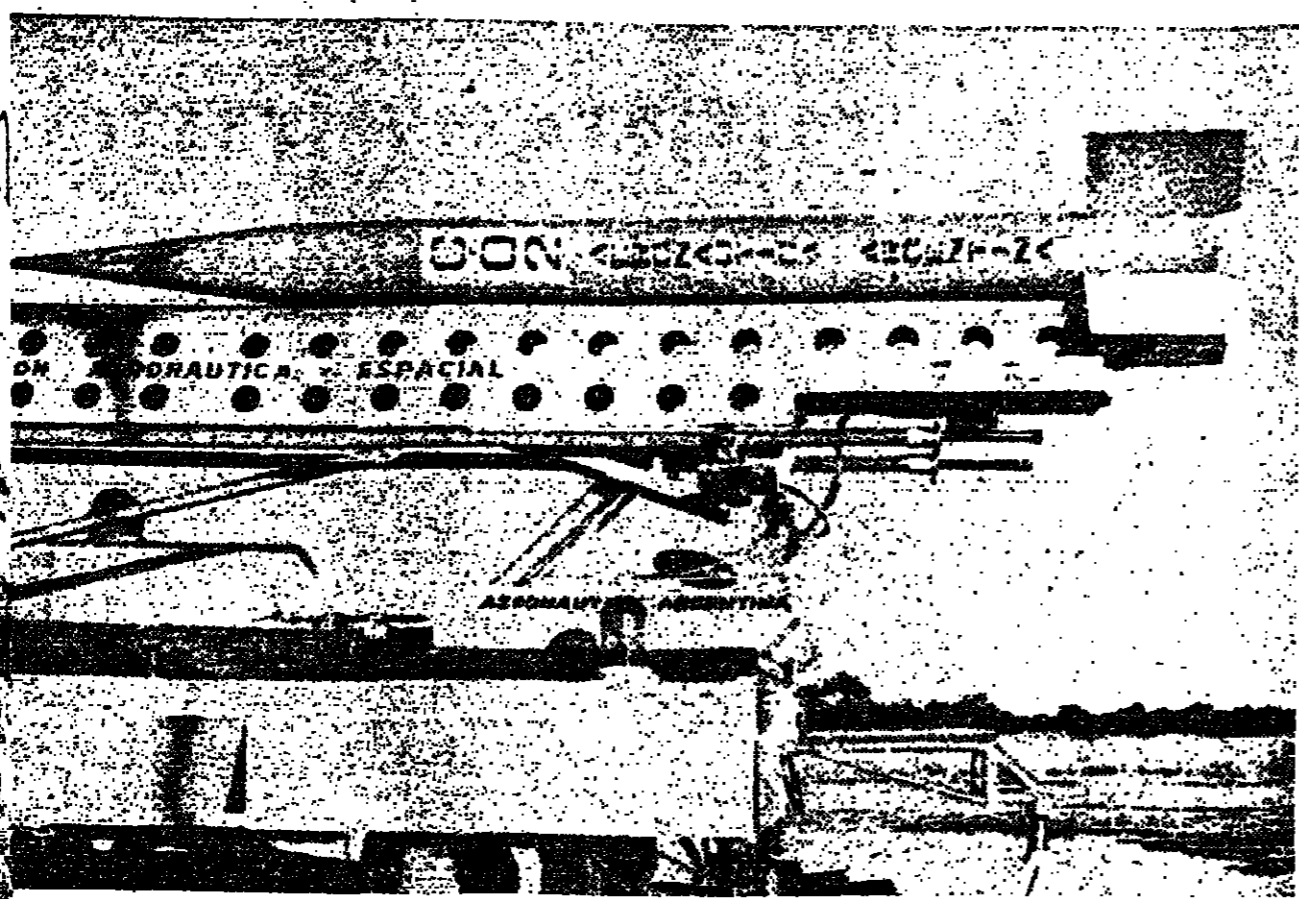
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ARGENTINA VII



Establishment of an independent arms industry is one of Argentina's priorities. The Castor rocket shown here is being developed by the air force's Commission for Space Research.

The strong man of the navy

public opinion. In a conference room in Buenos Aires, Admiral Videla, the Chief of the Navy, answered questions with an urbanity one seldom meets in the governments of Latin America. He put forward the much-repeated military claim that the military should not be in the streets. Some people have been wrong and proving that the country should have been collaborating substantially with the present Government. But with the present Government, the navy has come to a particularly important juncture. Admiral Videla, who has been in the navy since 1955, is a man of a different generation. He is a professional soldier, a man who has spent his life in the navy. He is a man who has seen the navy through its darkest days and its brightest. He is a man who has seen the navy as a force for good and as a force for evil. He is a man who has seen the navy as a force for the people and as a force against the people. He is a man who has seen the navy as a force for the future and as a force for the past. He is a man who has seen the navy as a force for the world and as a force for the nation. He is a man who has seen the navy as a force for the good and as a force for the evil. He is a man who has seen the navy as a force for the people and as a force against the people. He is a man who has seen the navy as a force for the future and as a force for the past. He is a man who has seen the navy as a force for the world and as a force for the nation.

He also overhauled the work ports, a figure not equalled for more than 20 years. Speaking on the 120th anniversary of rail transport in Argentina, Under-Secretary Ogueta said that "the greatness of a railway is not measured by the length of the track or by the number of stations, or by the number of passenger or freight trains, and even less by the number of staff on the payroll. A railway is judged by the volume of freight transported and by the number of passengers carried." Sr. Ogueta reported that of the 2,708 miles of track considered commercially unsuitable, 1,567 miles have already been closed. Moreover, he said, the obsolete rolling stock will be replaced at the rate of about 50 locomotives and 1,500 cars a year. To save precious time in the drive to modernise and rationalise the railways, the Government has suspended until December 31, 1979, the requirement that the railway must "buy national." Now they can look abroad for replacements of rolling stock, track and signalling and telecommunication systems. By way of softening the effect of this measure on the local manufacturers of such equipment, a committee, meeting fortnightly, has been created, composed of the local manufacturers and Government authorities, to protect local industry whenever possible.

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Railways

CONTINUED FROM PREVIOUS PAGE

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Financing

It is expected that early next year the World Bank will decide on what financing it will put up for the five-year plan for the transformation of the railways. Under Gen. Caballero's presidency, the railway staff has been reduced by 21,580. A Caballero initiative, which he calls "anticipatory pensioning," has accounted for more than 11,000 of those removed from the payroll. By eliminating branch lines and useless stations, and concentrating on the big trunk lines, the volume of freight transported by rail has increased by 20 per cent. since the coup, with the result that the network's budget deficit has been reduced by 60 per cent. During the first five months of this year, the railways carried 25 per cent. more freight than during the corresponding period last year. From May, 1975, to April, 1976, the railways hauled 5m. tons of grain; between May last year and April this year, grain hauled by rail totalled 6.5m. tons. If the grain transported by rail in the first four months of last year is compared with that transported during the corresponding period this year, the increase is 75 per cent. In April this year alone, 20,000 freight cars loaded with grain reached Argentinian

Equipped

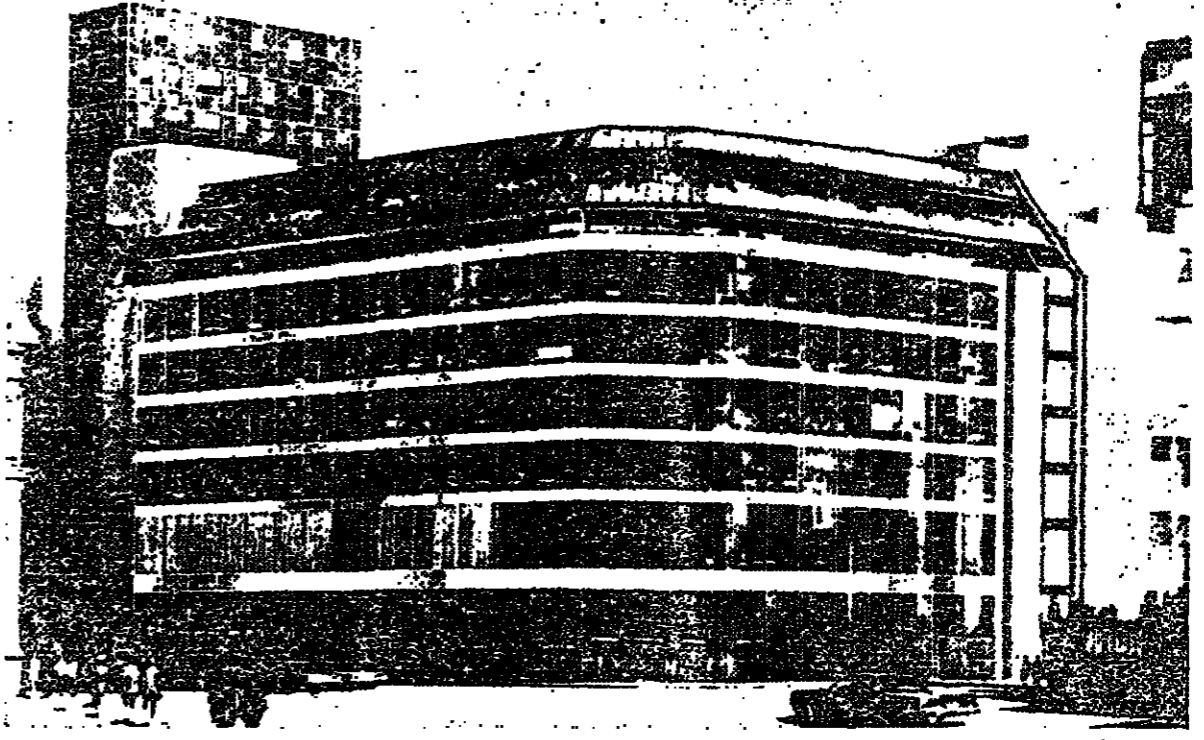
In little more than a quarter of a century, local industry has equipped itself to manufacture locomotives, diesel engines, freight cars, electrical equipment and sleeping cars, as well as providing all repair facilities. To date local industry has supplied 320 locomotives to the railways and is exporting coaches, cars and spare parts. In recent years the capacity to manufacture these units locally has been considerably reduced by the fact that the railways were held back by lack of funds to placing little more that what may be considered routine orders.

R.L.



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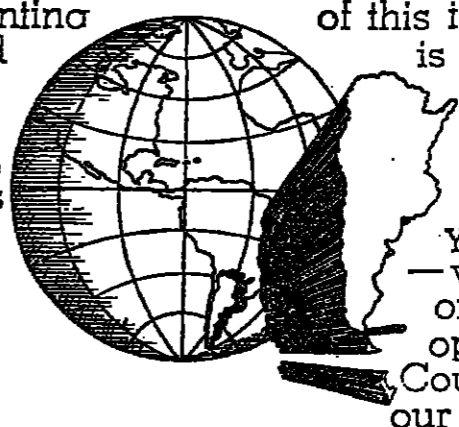
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ARGENTINA VIII

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A view of the Plaza Cristobal Colon, with the War Ministry building in the background and a monument to the discoverer of the New World, Christopher Columbus, in the gardens in front. The docks are on the left

Human rights cloud over foreign relations

THE SUBJECT of human rights, which was not an important one in the first months of rule by the military junta, has over the past year, and more particularly since the advent of President Carter to the White House, become the principal problem facing the Argentine foreign office.

But foreign reaction to the deteriorating human rights situation has become increasingly organised and vocal. It has led to tension between Washington and Buenos Aires.

President Carter's human rights initiative has been met with accusations from Buenos Aires that the U.S. has been meddling in Argentina's domestic affairs. As a result of the attitudes of the White House, the Videla Government in March rejected a small amount of U.S. military assistance and on the eve of Gen. Videla's trip to Washington last week (September 9) the navy announced it was cancelling its participation this year in the long-standing

Unitas manoeuvres with the U.S. Navy. In the economic sphere Washington has caused headaches by refusing to support a World Bank loan for the National Development Bank, and in the private sector of business the human rights issue has had some part, albeit a small part perhaps, in the decision of foreign investors not to make big new commitments in Argentina at the moment. The Videla Government is suffering from the fact that, if Mr. Carter wants to press the human rights issue against the governments of the Communist countries, he must do his best to improve the position of human rights in Latin America, where for much of this century the U.S. has had so much power and influence.

In his recent utterances in Washington it is not surprising, therefore, that General Videla admitted there had been "dirty deeds" committed in what he called "a war against delinquent subversives" and added that

"total control is difficult from the highest level." At the same time he made it clear that the Government is set on wiping out those it considers to be its enemies, and he backs this warning up by saying that "those who act against the country cannot enjoy the same rights as the rest of the Argentinians enjoy."

Unhappiness

But Washington is not the only centre which has expressed unhappiness with the situation in Argentina. The leaders of the European social democratic movement from the Labour Party to the German SPD have been critical of conditions in Argentina, and this attitude is not but have its repercussions on the relations between Argentina and the EEC, notably on agricultural exports to Europe. And while General Videla has been under fire from the

Western camp in which he firmly believes his Government to be, no criticism of his human rights policies have been heard from the Soviet Union, China or the other Communist countries, against which some Argentine generals already consider themselves to be at war.

In Latin America the human rights issue has been less of a problem than it has been in the U.S. and Western Europe, though it has strained Argentina's relations with Venezuela, Paraguay, Brazil and Bolivia. The war against the Left by the governments of Chile, Uruguay, Paraguay, Brazil and Bolivia has meant that all those countries to a greater or lesser degree have co-operated with the Argentine police and armed forces in joint action, a fact which was made clear a few months ago when two former Uruguayan Parliamentarians, opponents of the present government in Montevideo, were openly abducted from their hotel in the centre of Buenos Aires and later killed without anything being done to stop the killings and without the culprits being traced and brought to justice. This does not mean to say that Argentina has no point of friction with its

neighbours. The recent judgement on the dispute between Argentina and Chile over the Beagle Channel at the entrance to the Straits of Magellan, which was favourable to Chileans, has caused much anguish in Buenos Aires. As a result a planned visit by General Pinochet, the Chilean President, to Buenos Aires has been put off, and there exists possibility that the Argentine will be rejected by Argentina about a great increase in tension between the two countries.

With Brazil too various problems have been boiling notably the use of the hydro-electric potential of the river Parana, which flows from Brazil into Argentina, and joint Brazilian-Paraguayan plans to harness much of this potential in the giant Itaipu Dam. A tripartite meeting is scheduled to take place shortly in Paraguyan capital to attempt sort out the matter, but if it is resolved it is unlikely to put an end to a century of rivalry between the biggest countries of South America.

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An editor under fire

Guille

"WHEN I first came here I really didn't like it. Then I got married to an Argentine girl and it all got better. Now I feel a bit as though I'm married to Argentina." Bob Cox, editor of the widely quoted and respected Buenos Aires Herald, the local English-language daily, was recalling 18 years of work on a paper which he came to after answering an advertisement in World Press News.

Though he is philosophical about it now, the job has been littered with pitfalls and dangers as the paper has come under fire from all sides in the violent battleground of Argentine politics.

"I always thought of the paper as old-fashioned English liberal." Mr. Cox said in his office overlooking the city's port. "That's always been its character. There used to be another English-language daily here, the Standard, and it is interesting to look back through the files and see how they took a conservative line while we, for instance, came out in support of things like the strike of shop assistants years ago at the Harrods in Buenos Aires."

In a recent years the Herald has earned itself an international reputation for speaking out on the question of violation of human rights.

"The criterion we use for publishing news is not, like some other papers here, whom will this please or upset? It is rather, is this news true and important?" Earlier this year Mr. Cox was jailed for a few days for being one of two editors who decided to print the news of a Press

Owned

"When I started I worry over a lot to this now do not trouble me. I've got used to reflects. The Herald has owned since 1969 by Charleston Post Publishing company of the U.S., which I it from the Rogeron who were Anglo-Argentine Gibraltar connections.

"Though some people this hard to believe, we very much to our own. Although we have gone through more hard periods than others, the owner made a point of reinvesting in the business," Mr. Cox said.

Bob Cox was born in Easing, and a apprenticeship on paper in East Anglia and Hull between I did two National Service in the and they gave me two for being in Korea month," he says. "I've plans to move. I've been long time and it would difficult personal decision to leave Argentina to print the news of a Press

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A new welcome for foreign investment

THE authorities govern- condense in the Minister for Argentina to-day took up the Economy's preamble to the law on foreign investment: "The benefits of foreign investment as a complement to domestic investment, together with the technological contribution that goes with the former, can be enjoyed by the country without fear that its sovereignty or national decision making may suffer restrictions, always provided that the legal requirements are clear and just, since a modern State holds such powerful instruments at its disposal that there is no company or individual, regardless of nationality, that can go against it within legally established margins."

Since the Government of General Videla took power 18 months ago, legal instruments have been established which offer legal protection to foreign investment. The laws and regulations involved which have a direct or tangential bearing on foreign investments are those concerning foreign investment, the transfer of technology, industrial promotion and taxation reform.

The main aspects of the legislation are as follows: Foreign investors have the same rights and obligations as the registration and law grant to nationals and there are no areas or sectors forbidden to foreign investment. In certain circumstances investment without prior permit is possible. Transactions carried out between the foreign parent company and the Argentinian subsidiary are considered as transactions between independent parties; the domicile and not the nationality constitutes the determining factor in the

qualification of a foreign or national investor. Domestic enterprises of foreign capital are considered those in which more than 49 per cent of the capital is owned by foreign investors.

Investment may be made in foreign currency, capital goods, profits belonging to foreign investors, capitalisation of foreign credits, intangible assets or any other form approved by the implementing authority; there is a tax on profits exceeding 12 per cent of the registered capital. Foreign investors may use any of the legal forms of business organisation (branches of the parent company, incorporation of same, creation of an Argentinian limited liability company, etc.); access to domestic credit on a short-term basis and exceptionally on a medium or long-term basis is available.

Principles

The new law on transfer of technology sanctioned about a month ago ratifies the same principles established by the law on foreign investments, since it accepts the legal validity of the technology transfer contracts between financially bound companies. The law is applicable to any legal instrument having as its objective the transfer of technology from abroad in favour of persons domiciled in Argentina.

The taxation system falls in with the philosophy expressed regarding the legal independence of the instruments and transaction carried out by tied firms (parent company and sub-

sidary) in such a way that all relevant taxation effects the same situation exists as applied to companies with an independent financial structure. Consequently, and taking as an example the case of the royalties paid by a subsidiary to its principal abroad, the tax to be collected is 18 per cent, instead of 36 per cent, as it resulted from applying the restrictive criterion of considering both entities as a single taxable entity. A similar situation holds as regards payment of interests.

The law on industrial promotion is based on the need to re-establish a balanced and self-sustaining economy which is impelled by private enterprise and with adequate stimuli on the part of the State, allows the country to make rapid progress, an economic growth and general well-being for its people. Unlike the previous system, it expressly includes foreign investment in its benefits, which consist essentially of tax reductions and lower s/e rating.

In the message mentioned earlier from Minister Martinez de Hoz on the law on foreign investment, it was stated that these "... not only will have to be achieved with adequate legal and regulatory provisions, that at the same time look after the interests and needs of our country and the safe and equitable treatment that it is imperative to offer, but the materialisation of new investments too will depend fundamentally on political stability, juridical and personal safety, and economic stability."

Maximo Bomchil

Guillermo Roux

WORKS of the present as the Ecuadorian Ramiro were one and the same place." Roux started earning his living as a commercial artist at the age of 12 and later studied at art school in Buenos Aires. At the end of the Second World War he decided to go to Rome to broaden his experience, and there, when the money he had ran out, he found an Italian painter who took him on as an assistant. "I can't say that he was a great artist but he was a superb craftsman. He had a great many orders from churches, so I spent a good deal of time painting saints and haloes."

Drawing

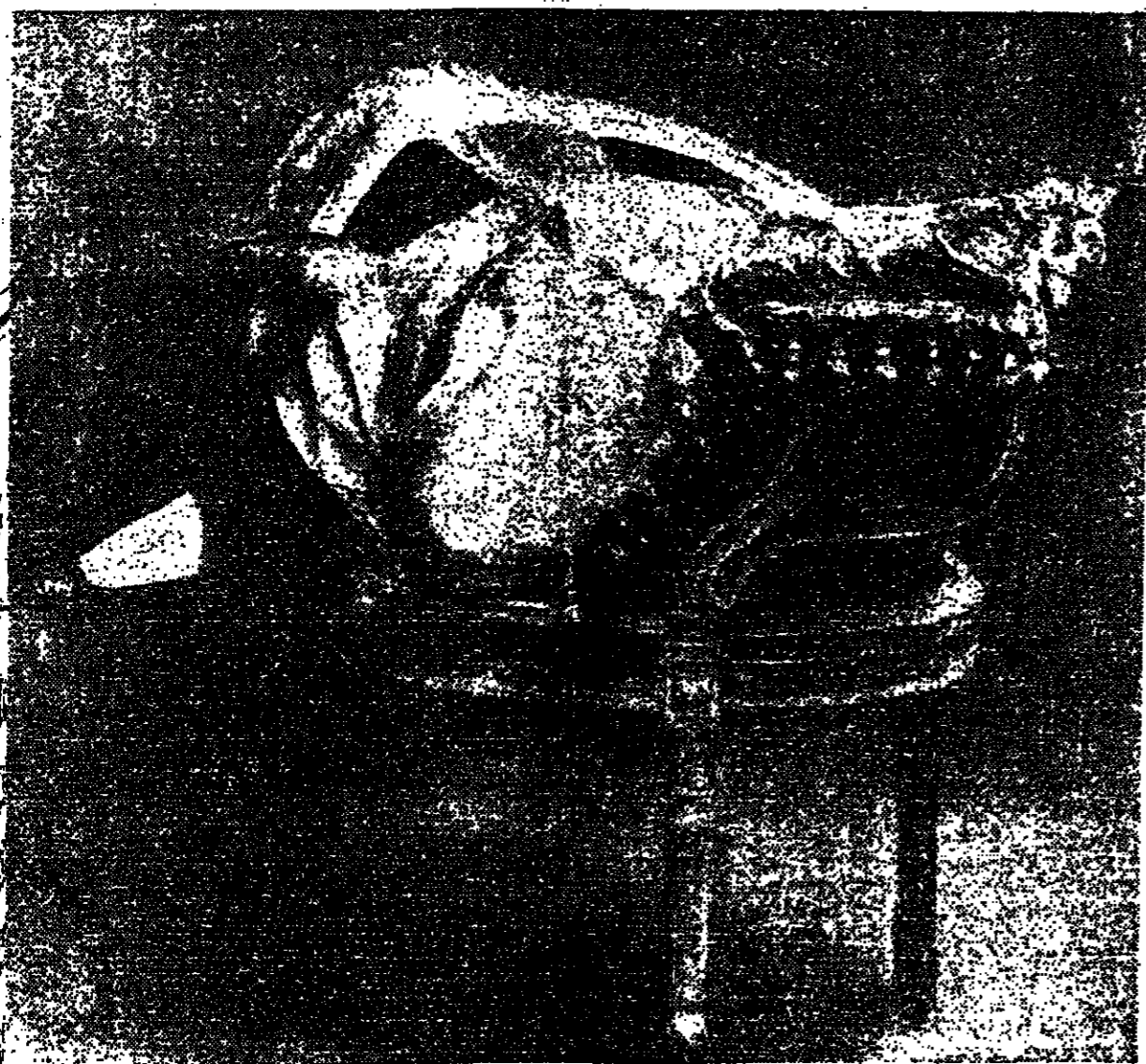
Born in Buenos Aires in the late 1920s Roux quickly learned the rudiments of drawing from his father, himself an artist. "From when I can first remember," he recalls, "I wanted to do nothing else but express myself by drawing. I wanted to set down the world I lived in which for me consisted in the few streets round my parents' house on the outskirts of Buenos Aires. It was a very close world and I knew very little outside it. For me the centre of the city and a place called Europe or younger men such that I was always hearing about

acknowledgement came when he won first prize at the Sao Paulo Biennale in the early 1970s. He has had exhibitions at Marlborough in London, Bucholz in Munich and is currently showing at the Jean Bucher gallery in Paris.

Roux first became recognised for the originality of his subjects, a surrealistic version of Madame Recamier, the plush lined 19th century sitting rooms with all sofa, disjointed lutes and whisperings behind discreet curtains, pictures of headless clowns, executed in a water-colour whose depth of colour and detail often give it the feeling of oils.

To-day at his house in Martinez, a northern suburb of Buenos Aires the work he has in hand is less tentative, bolder and more sensual. He seems to have less need than he once had to hark back to the sights and experiences of his early years. Though he is not far off 50 Roux gives the impression of only just starting to fulfil himself as a painter.

H.O.S.

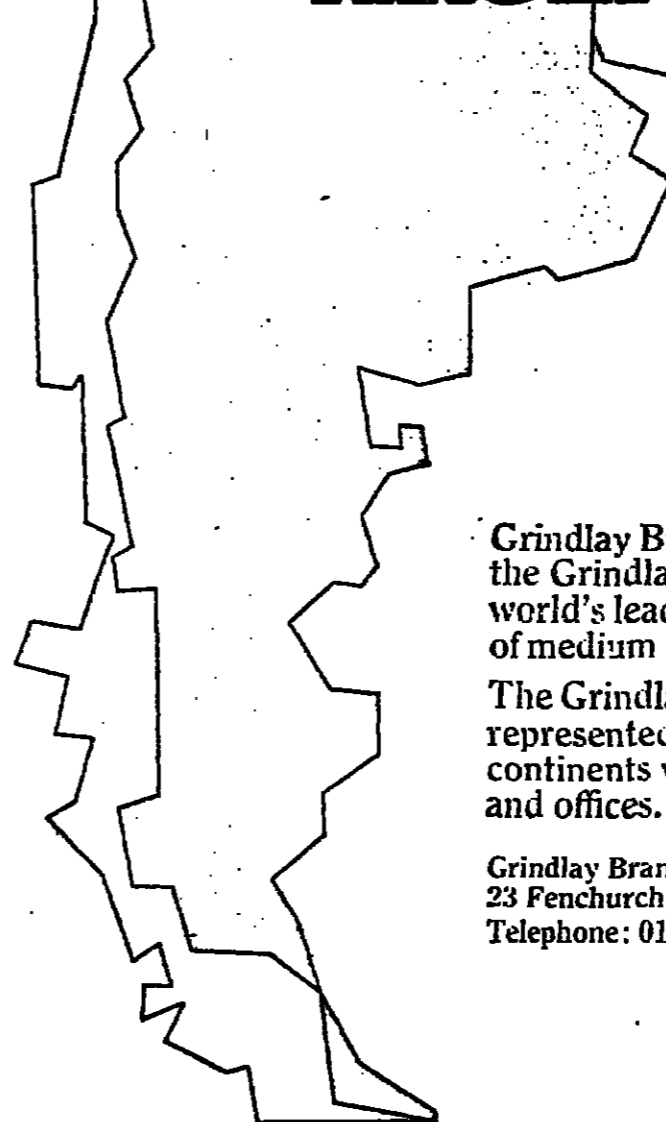


"Sillon Azul" (Blue Chair), 1977, 64 x 66 cms, by Guillermo Roux.

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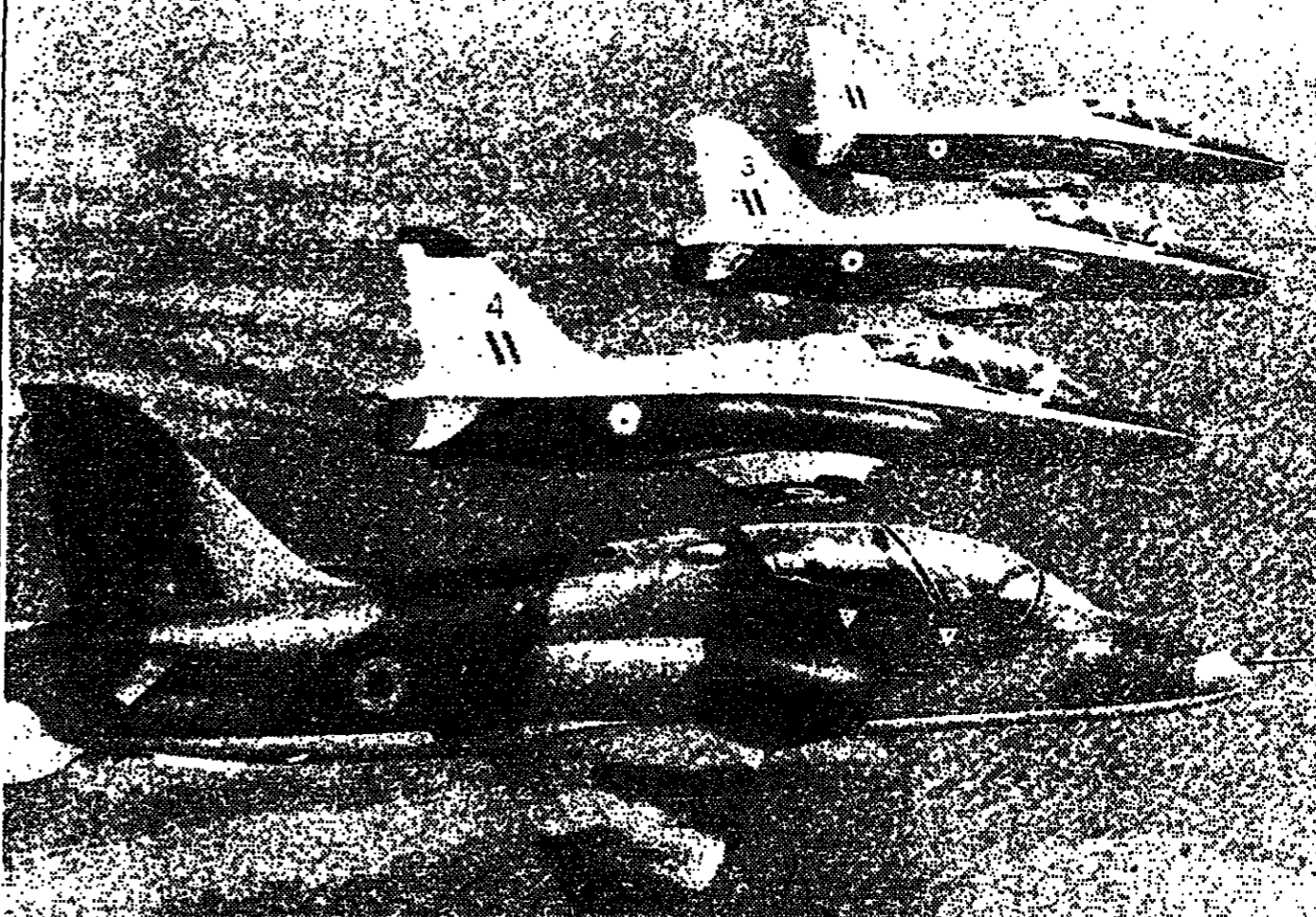
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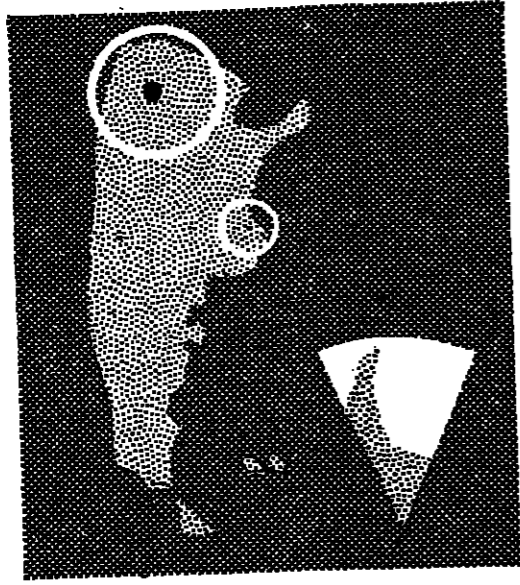


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Hydro to become the energy mainstay...

"WITHIN A few years, Argentina will be almost self-sufficient in energy." This is the promise of Barnado Bronstein, under-secretary of hydro-electric and thermal power in the Department of State in the Ministry of Economics. "And," Sr. Bronstein adds, "we plan to replace, to a great extent, fossil fuel with hydro-electric energy as quickly as we can." At present, 70 per cent of the country's electrical energy is generated by fossil fuel, 10 per cent nuclear and 20 per cent by hydro-electric power. "We're going to change this ratio very soon," says Sr. Bronstein.

The plan, at least, is for a dramatic change. Hydro-electric energy from Argentina's rivers probably will amount to 5,800 gigawatt-hours (GWh) this year. By 1985—always according to the plan—this figure will shoot up to 23,700 GWh, which by all predictions should be comfortably abundant. Argentina's physical characteristics are not wanting in the drive to reach this goal. Because of the melting snows in the Andes during the dry summer months, the country's rivers flow continually in the west. And the abundant tropical rains in Argentina's contiguous northern neighbours, Brazil and Paraguay, feed the Paraná, Uruguay, Paraguay and Iguazu Rivers.

It is the Government's ambitious plan to complete a total of 16 hydro-electric complexes by the end of 1985. By international standards, six of these can be considered "very large," inasmuch as their scheduled installed power ranges from 450 MW to 2,700 MW.

Three complexes are almost completed. This year, El Chocón, in the Limay River 50 miles south-east of the confluence of the Limay and Neuquén Rivers in the southern Andes foothills, will apparently be terminated. The installed power of the dam is 1,200 MW. Scheduled to be completed a short time later, and designed to work with El Chocón, is Cerros Colorados in the Neuquén River. Although it will begin operation at half capacity, eventually the installed power of Cerros Colorados will



Argentina's rivers and lakes are a huge source of potential power. The photograph shows the River Limay draining Lake Nahuel Huapi in the southern Andes.

reach 450 MW. About \$70m. are needed to finish these two projects. Cabro Corral in the Juramento River 35 miles south-west of the city of Salta and with an installed power of 100 MW, also is scheduled for completion this year. The dam, built of loose material, rises 99 metres above its foundation, forming a usable reservoir of 2.5bn. cubic metres, and a tunnel 536 metres long, with a 108-metre pipe, will carry water to the power plant, which is equipped with three groups of Francis turbines.

Nineteen-seventy-nine will be lean for Argentina's hydro-electric energy expansion: only one 6 MW facility, Piedras Moras, is scheduled for completion. But three much larger stations should begin functioning in 1980. One is Los Reyunos, consisting of two dams being built on the Diamante River 18 miles west of San Rafael in Mendoza Province. special in that all its annual power supply of 2,400 GWh will provide the energy to produce 140,000 tons of aluminium in a year from two Francis turbines. One dam, of dirt and Madryn, 330 miles east of the Futaleufú dam. Assuming that its foundation—110 metres above the bed of the river—will regulate the river's flow to produce one kilogramme of aluminium, the Futaleufú plant will need to generate at least 2,400 GWh a year. This represents an overall capability of about 285 MW.

Also on the Diamante River, and also scheduled for completion in 1980, is the Agua del Toro complex 54 miles from San Rafael, at a cost of \$35m. between now and 1979. Two Francis turbines, installed in the concrete dam with a double curvature 118.5 metres high above the foundation (101 metres above the river bed) now being built, will generate the average of water is about 290 cubic metres the second. Six million cubic metres of earth and boulders had to be moved for the entire Futaleufú project. Only then could the dam, which rises 115 metres above the river bed, be built with a combination of water resistant materials: earth breakwaters and re-inforcements, moraine, gravel and small rocks. This year, Futaleufú will cost \$30m.

The next complex scheduled for completion, Salto Grande, is Argentina's first joint venture in the hydro-electric sphere. It is planned that the first of 12 turbines in the dam being built on the Uruguay River, 11 miles north of the cities of Concordia in Argentina and of Salto in Uruguay, will be operational by April, 1979. Thereafter, according to the schedule, two units will go into service every two-and-a-half months, producing 1,620 MW of installed power. 6,400 GWh a year. The system is designed to accommodate two more units at a later date, which would raise the generated power to 1,890 MW, permitting an annual production of 6,400 GWh.

In both Argentina and Uruguay, construction of Salto Grande is well advanced with more than 3,600 workers involved in the project. An international highway and railway will be built on the crown of the 99-metres-high dam. Transformers, servometers, turbines and generators are being built in Japan, Italy, the Soviet Union and Austria. On the Argentine side, a seven-mile navigation channel will be dredged out of the Uruguay River, making it navigable for an additional 86 miles for craft of up to nine feet draught. The Inter-American Development Bank has financed part of the total invest-

ment for Salto Grande, estimated at \$1,240m. In June, the Japanese Export Import Bank lent Argentina \$20m. for the complex, the cost of which will reach \$336m. this year and \$398m. next year. By then, 99 per cent of the total cost of the complex will have been paid. One of the coming large contracts for Salto Grande will be for the \$300m. electrical transmission system from the dam to customers in Argentina and Uruguay.

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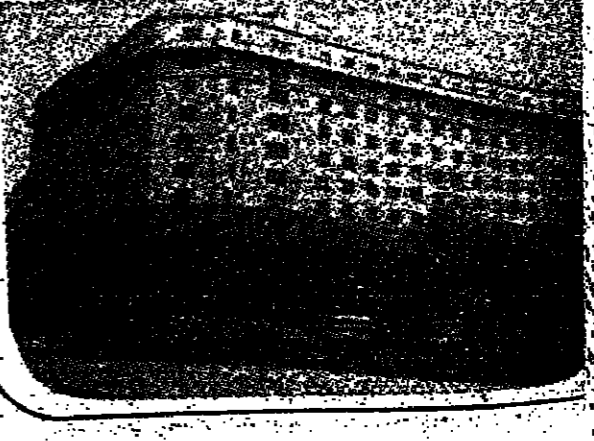
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ARGENTINA XI

... but meantime oil has to meet the load

JGH Argentina has a tender will be put out to develop the country's hydro-electric potential. This proportion from 90 per cent, but it is obvious that remain the fundamental source for many years to the State oilfields (Yacimientos Petrolesales), has fixed 1985 year for Argentina to self-sufficient in petroleum. Although the country 19.8m tonnes of crude oil it still had to import 9.6m tonnes at a cost of nearly \$1m.

new president of YPF, Sr. Ondarts put his finger on what he thinks is the most serious cause of YPF's inefficiency—that last year the combine drilled barely one-third the number of holes that it drilled in 1981, at the height of private oil company activity in Argentina. In the last seven years, he recalled, YPF has had 14 different administrators or presidents, an average replacement of one every six months. These frequent changes had made the combine bureaucratic, inefficiently top-heavy, including excessive internal paper work, which made it difficult to take prompt action.

Administrative chiefs, Sr. Ondarts said, "and staff in general fell into the habit of delaying decisions. They felt they had only to tide over the next few months until the new top man came in." This system is being changed, he said, adding that he meant no slur to the efficiency of the majority of the YPF personnel. He blamed YPF's inefficiency on past political instability.

Sr. Ondarts lamented that there is now a drift of YPF trained personnel towards private industry "which robs us of our best men by paying them double or more than we can afford." YPF's income from its petroleum products is not enough to cover its development costs. Most of the cash from YPF sales goes to the Government in taxes, which are easy to collect because YPF sales are mainly spot cash. The result is that YPF is the Treasury's leading individual source of funds.

Against the day when Argentina's oil reserves run out, there are abundant coal deposits to produce thermo-electric power. At remote Rio Turbio in the province of Santa Cruz, near the border with Chile, there are believed to be deposits of 550m tonnes of coal—268m tonnes of which are proved, 258m tonnes probable and 8m tonnes potential. All but a tiny fraction of Argentina's coal reserves are thought to be in this area, which is 120 miles inland from the nearest port, Rio Gallegos on the Atlantic.

The exploitation of the Rio Turbio mines by YCF has met with difficulties because of the poor demand for coal domestically and the near impossibility of selling Rio Turbio coal on the international market. The problem of Rio Turbio coal is its high ash content. It must be purified to meet market needs.

The Government's three-year plan looked for the mining this year of 1.5m tonnes of coal at Rio Turbio, but it is already evident that not half of that tonnage will be reached. At the end of last month the No. 2 mine at Rio Turbio had been forced to close down and the rest were working at only 60 per cent of capacity. Miners had been put on to maintenance tasks, and coal was piling up near Rio Gallegos in alarming amounts, alarming particularly because of the danger of fire.

The solution to Rio Turbio's problems would be costly, involving as it does the expansion of existing purifying plants and the construction of others, and the improvement of the system of railway transport to Rio Gallegos.

Argentina at the start of its nuclear programme opted not for enriched but natural uranium, of which it is known to have sizeable deposits. The largest is at Sierra Pintada in Mendoza Province. One mine alone in this area contains a total reserve of 12,000 tons of uranium. Six others in the area are known to contain anywhere from 500 to 1,000 tons each.

Within the next two months Argentina will begin another stage of its ambitious nuclear power programme with a new thrust to prospect for more uranium deposits. The drive will be carried out by a consortium of Argentinian companies working with a foreign group which, according to an official of the National Atomic Energy Commission, will be American/British or American. The first prospecting, by airborne scintillators will cover a large area of Patagonia, including a small part of Santa Cruz Province, where 20 small deposits are known to exist. Following this project, the Commission plans to prospect areas in Mendoza and Catamarca Provinces. The goal is to increase the country's proved reserves of uranium to 60,000 tons, which is what will be needed for the 15,000-MW at the Atucha 1, send uranium dioxide to West

Germany for conversion to fuel units instead of sending yellow cake. Eventually Argentina will manufacture its own fuel units.

Perhaps all this implies the question: is Argentina working towards making a nuclear bomb? Governments, including the present Videla regime, have always denied this. Nevertheless Argentina, like Brazil, considers itself a pre-nuclear power, and—as the Buenos Aires daily La Opinion remarked when India exploded its nuclear device—the possession of the bomb makes a country "more respected."

An Argentine nuclear scientist said recently in private: "For middle-sized nations the question of nuclear weapons is not one of technical ability but of political will. If we decided to build a bomb, we could have one in four years at a very reasonable cost—say, \$250m, which is ten months' deficit on the national railways. There is no way to stop a country making a nuclear device. Those who insist on safeguards do so either out of naïveté or for other reasons such as commercial interests."

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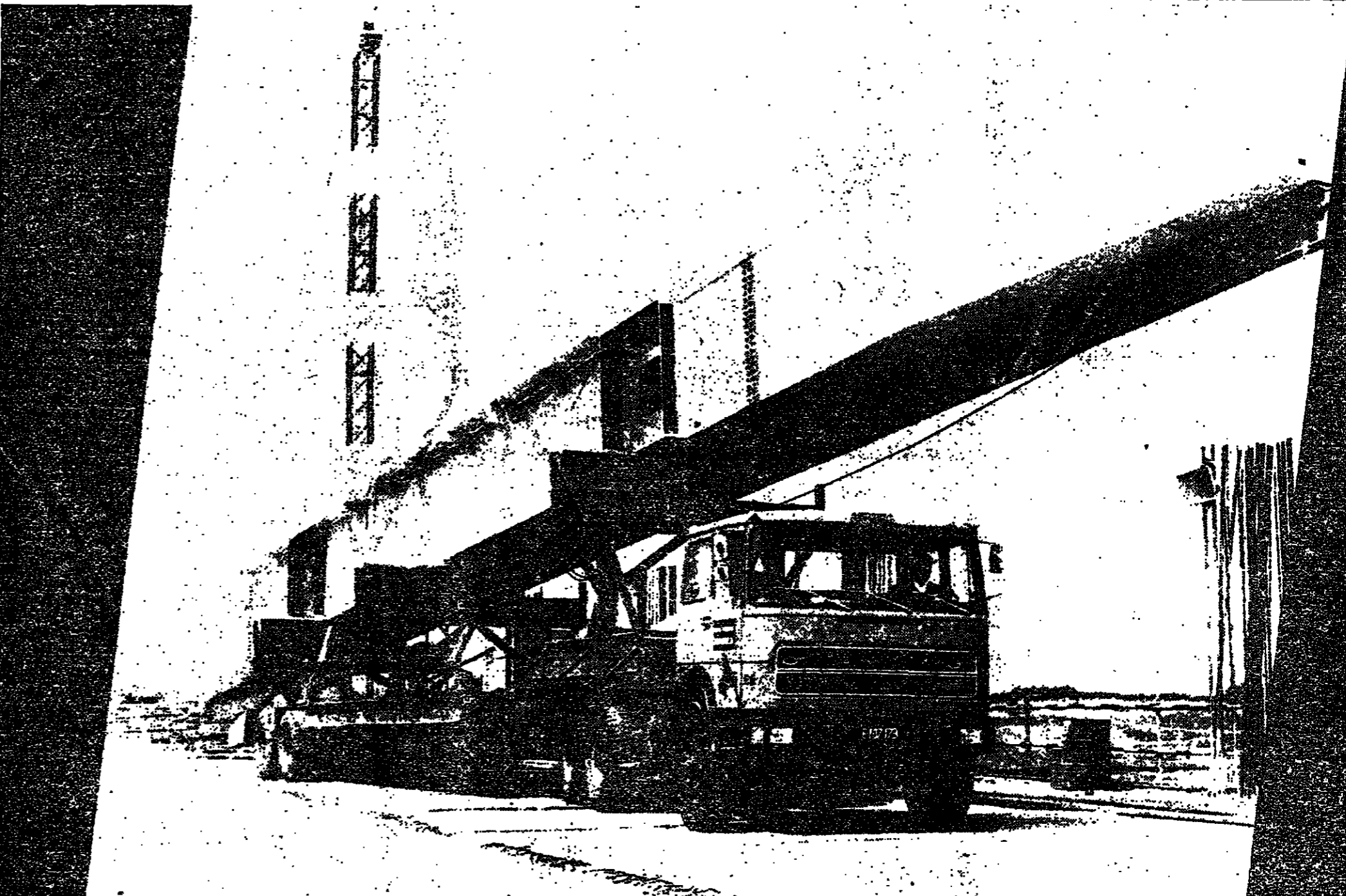
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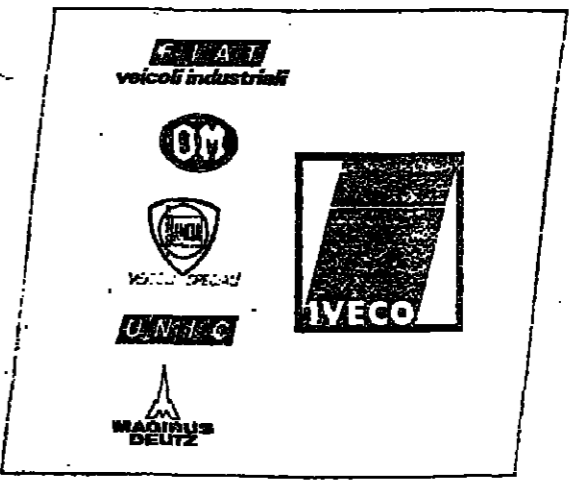
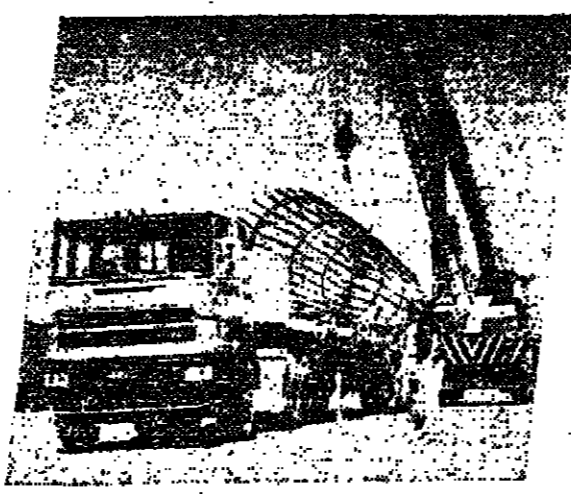


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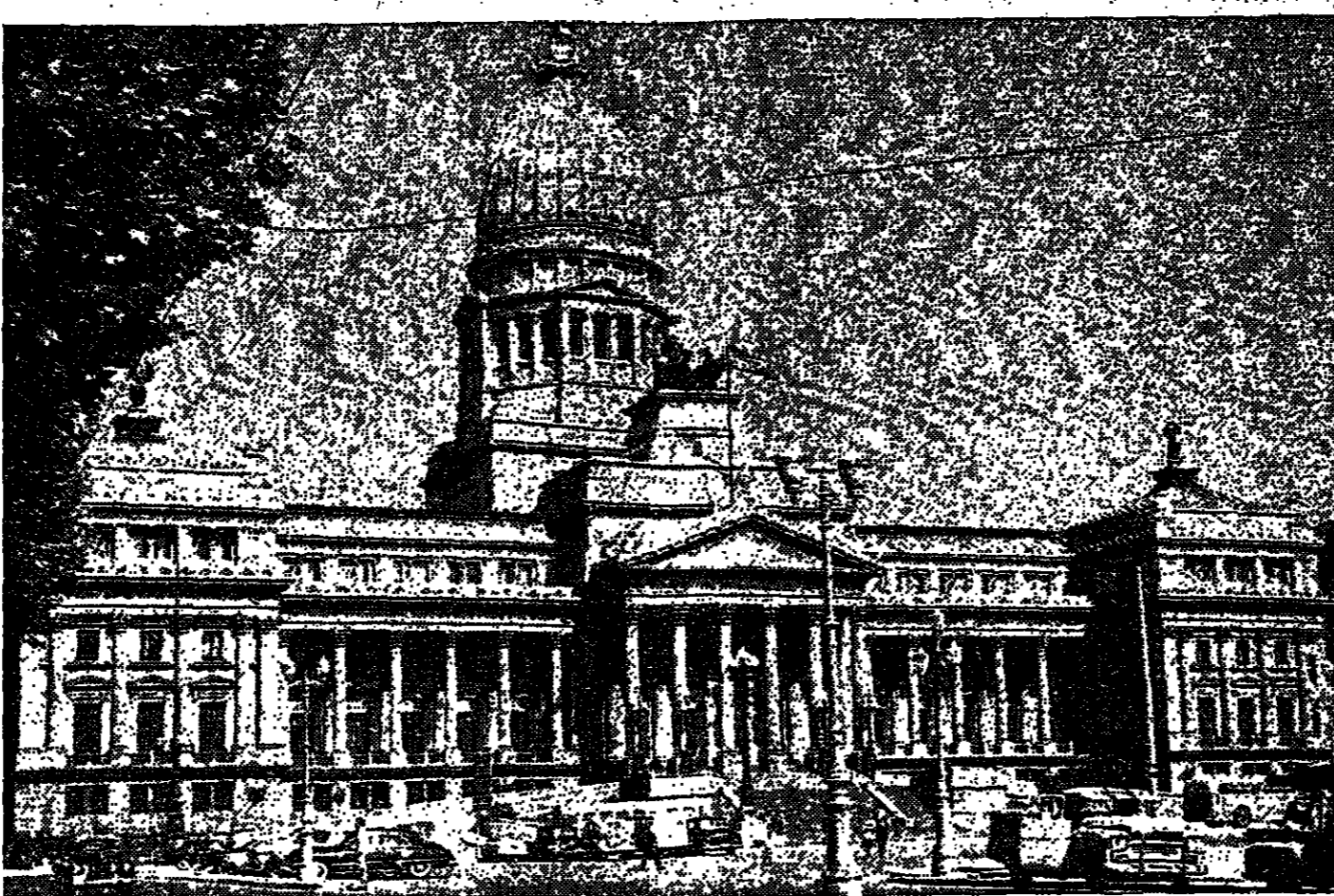
ARGENTINA XII

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Buenos Aires in its place

EVERY SO often Buenos Aires comes up behind you, taps you on the shoulder and reminds you politely that it is one of the greatest cities in the world. Take the other day. It was a Saturday night and I was walking back to the hotel down Calle Florida, the smart shopping street they have made into a pedestrian precinct. The winter air was not too chilly and the crowds were strolling past the tubs of flowers and gazing at the crocodile bags, fur coats and models of jumbo jets in the dazzling shop windows. The newspaper vendors at their bulging kiosks were still doing good business and here and there a shop was open. From one book and record store came the sound of one of Vivaldi's lesser known concertos, and the browsers were picking their way through the latest publications on 19th-century Argentine history. In what other city of the world, I wondered to myself,

would the shopkeepers be putting on Vivaldi at midnight to attract customers to come in and buy records and tomes of history?

One hundred yards further down Florida there was a shoe shop which was backing up its display of polished brogues with photographs of the latest diesel engines to be delivered to Argentina's railways, captioned with stirring messages about the growing importance of heavy industry and an efficient transport system for the development of the Argentine economy.

In what other city of the world, I wondered, would the shopkeepers be displaying slogans about industrial greatness in an effort to sell more shoes?

The cultivation of the intellect and the discussion of the future of Argentina are two of the passions of Buenos Aires world. I wondered to myself,

the biggest city south of the equator but a city of remarkable character and personality. A city which is so proud of its opera season that it subsidises seats in the gigantic Teatro Colón to such an extent that the best of them can cost less than a pound. A city whose inhabitants can take their pick daily of an enormous range of free lectures about everything from the Kabbala to the ecology of the Antarctic.

Darker

There is of course a darker side. Buenos Aires has for the past few years been the scene of acts of assassination and torture scarcely paralleled in the recent history of Latin America which under Peronist governments and General Videla's military administration have rightly shocked the world. My own memories of hearing Vivaldi at midnight in Calle Florida are amixed with recollections of Florida with heavily armed policemen, each with his Doberman Pinscher, ready to use the utmost violence to hold in check those demonstrating against the policies of the government of the day. That was four or five years ago.

The often sublime, often tormented life of the portenos—as the inhabitants call themselves—is played out in a setting which is more imposing than beautiful. Buenos Aires is a city of the heavily monumental. Governments and business have fully indulged their taste for facades of polished granite.

The guérrillas, he says, are on the run and things have got a lot better since a few months earlier when he heard from his office the gunshots which killed a naval officer.

Though there will be no elections until the Junta decides to have them, General Saint Jean argues that there is a possibility of getting what he calls a "national consensus" as the armed forces keep in close touch, he claims, with a broad spectrum of people, the banks, industry, etc. Contacts with the trade unions? I ask. "That is not a matter for a provincial government," Saint Jean replies. "That is dealt with in Buenos Aires."

As far as the Graiver case is concerned, Saint Jean says, the police of his Province unearthed the case, but when the ramifications of it came to light the matter was passed over to the central Government for a decision. The idea that the treatment of the Graiver case was a pawn on the political chessboard of intra-government rivalries is one he does not accept. And as for anti-Jewish feeling (the Graivers are Jews) extreme statements attributed to him by, among others, the New York Times were never made by him. Fighting on the label of hardliner, he claims Saint Jean argues "that there are that he is generally known as a anti-Semites in Argentina, but moderate—at least in the economic sense, he adds Jean is less willing to be drawn on another religious matter. His

beloved underground railway, which links together the heart of the city and whose urgently needed extension is now being planned by the Government. Then come the colectivos, the privately run buses, the nimble, speed of whose drivers come as a tonic to any London bus traveller. Over the horrors of the city's telephone system it would be kinder to draw a veil and pass quickly on.

Every day the portenos are served with gigantic quantities of food for mind and body. Take for instance the daily Press. A recent Sunday issue of one tabloid, Clarín, included 64 pages as the principal body of the paper containing local and foreign news, sports and cartoons of the masterly Landru and the equally masterly Sabat, a 32-page colour magazine, a 32-page economic supplement, a 32-page arts supplement and two advertisement inserts totalling between them 64 pages. And Clarín is but one of half a dozen principal daily newspapers in Spanish, leaving aside a large evening newspaper and the foreign language Press, which includes the English language Buenos Aires Herald and daily for the Italian, German and Hebrew communities.

The portenos stomachs are looked after lovingly. Despite the measures taken by Dr. Martínez de Hoz, which have reduced living standards sharply, cut food consumption and reduced the amount of money most Argentines have available for non-essentials, the Buenos Aires restaurants are still doing good business.

Buenos Aires is not the place to look for haute cuisine indeed for an inventive dish of cuisine bourgeoisie. It is, ever the best place in Western Hemisphere—and all I know in the world—for in any of its forms. It is for an Argentine restaurant to serve a bad dish of meat, a cluster of my favourites, including Sorrento in Avenida Corrientes but also including the Le Grill, the Yapeyu and the burgo and the restaurant at Plaza Hotel, present the mate in delight for the voracious visitor from London too long condemned to charred offcuts which are off as meat in the steak of the British capital.

Epitaph

It is rare but it is known. Derek Foster, w in the Buenos Aires. He recently drafted the epitaph of one of the most famous city's restaurants, La G eagerly sought out by V from abroad. "The uncathedral of beef," as it has now let its standard by. The restaurant has muted "gastronomic here he reported, "a sad, sad, rondo." One must content self with the knowledge there are hundreds of parish churches in the which the title of could be worthy conferre

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General Saint Jean, the Governor

LA PLATA is a pleasant university town not far from the capital and is the seat of the provincial government of Buenos Aires. Its streets are lined with orange trees, it has a homely and much frequented racecourse and it has been the scene of killings and other horrors over the past few years too numerous to recount here, ranging from shootouts between Government and guerrillas to acts of torture and the kidnapping and murder by an ex-policeman of David Kreiselburg, the 20-month-old son of a local newspaper editor. La Plata, too, was the economic springboard of the controversial Graiver banking family.

The governor of the Province is regarded in Argentina as one of the most prominent of the hard line conservatives, General Iberico Saint Jean, now on the retired list but very much in command of the levers of power in the richest subdivision of Argentina.

"We can't be indifferent towards subversion because if we are we will be its victims," the General remarks, though he adds that various of the more extreme statements attributed to him by, among others, the New York Times were never made by him. Fighting on the label of hardliner, he claims Saint Jean argues "that there are that he is generally known as a anti-Semites in Argentina, but moderate—at least in the economic sense, he adds Jean is less willing to be drawn on another religious matter. His

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BY ERIC SHORT

...TION is achieving in five what the National Health Service has failed to do in 30... killing off the use made... at individuals of private... and hospital facilities.

demands created by the formation of the NHS. Only a few... remained outside and continued an independent course... such as Private Patient Plan and Western Provident Association.

It has not set out to match the NHS facilities to perform the most sophisticated surgery... to put it bluntly, that would not be a cost effective investment. But for 95 per cent of surgical cases the private hospital sector can match NHS facilities.

But the associations themselves confirm that there is considerable turnover of membership on the individual as well as the group side.

The position so far this year, according to the various associations, is that group membership continues to remain stable with some growth, while individual membership continues to decline, but at a slower rate.

The pay policy effectively prevented companies from setting up group schemes, the benefits provided being considered as part of the pay limits. But now that the restrictions have been lifted, the associations intend to make a big drive for the company market.

...in the NHS was launched, was considerable pressure... medical profession for private sector to continue.

The numbers of subscribers to medical insurance climbed steadily once conditions had settled down following the introduction of the NHS, reaching a peak for individual membership in 1971 when the figure was 334,000.

But medicine is a labour intensive industry, as the NHS discovered. The wages and salaries explosion in the early and middle 1970s sent costs soaring. The accompanying table shows how this affected the cost of private beds within the NHS.

Charges at private hospitals were raised by similar levels, perhaps not quite so high as those in the NHS, and naturally medical insurance premiums had to follow this upward spiral.

Secondly, the employee is in a private room with telephone and ready access by visitors. Once the post-operative period is over—after 24 or 48 hours—the employee can begin work that is brought to him and do part of his job from the hospital room.

Fortunately, the Health Services Act will ensure an orderly phase out of pay beds, with consideration being given to the availability of private hospital facilities in deciding on the timetable.

| Year | Individuals | | Group members | |
|------|---------------------------|----------------|---------------------------|----------------|
| | Number (figures in '000s) | Change on year | Number (figures in '000s) | Change on year |
| 1966 | 292 | | 443 | |
| 1967 | 304 | +12 | 480 | +37 |
| 1968 | 314 | +10 | 517 | +37 |
| 1969 | 325 | +11 | 541 | +24 |
| 1970 | 328 | +3 | 602 | +61 |
| 1971 | 334 | +6 | 652 | +50 |
| 1972 | 328 | -6 | 693 | +41 |
| 1973 | 324 | -4 | 740 | +47 |
| 1974 | 312 | -12 | 784 | +44 |
| 1975 | 299 | -13 | 793 | +9 |
| 1976 | 275 | -24 | 782 | -11 |

Source: Lee Donaldson Associates

| Year | NHS pay beds, London teaching hospital | | BUPA top rate premiums | |
|------|--|------------|------------------------|--------|
| | £ per week | Individual | £ per annum | Family |
| 1970 | 87.75 | 37.95 | 69.55 | 117.15 |
| 1971 | 102.20 | 42.70 | 87.45 | 132.20 |
| 1972 | 122.50 | 60.65 | 117.15 | 152.20 |
| 1973 | 137.20 | 72.45 | 145.25 | 209.80 |
| 1974 | 172.90 | 84.65 | 174.45 | 246.45 |
| 1975 | 252.70 | 145.25 | 246.45 | 335.90 |
| 1976 | 336.10 | 183.15 | | |
| 1977 | 387.10 | | | |

NHS pay bed charges are reviewed on April 1. The BUPA family subscription covers husband, wife and children. Source: DRSS and BUPA

Impersonal

Much has been written regarding the failings of the NHS, but these can be summed up as simply that it has grown too big, therefore becoming rather impersonal and making too many demands on existing resources.

Fringe benefit

But does this trend mean that the demise of private medicine is coming in the foreseeable future? The answer is definitely no.

Orderly

Finally, there is the question whether there will be enough private hospital facilities to meet the demand.

Letters to the Editor

ation
ounting
J. M. Renwick.
Anthony Harris is unfair in his points of view on inflation accounting as a chance of realism (7).

clearly, and authoritatively expounded by Adam Smith, never to be refuted since. Until all the elements of our corporate State recognise this, and leave the important economic decisions to people and the market, we will never resolve the problems of our economy.

This reasoning must also apply to the Government, as they expenditure is our taxation and National Insurance Contributions. State pensions, therefore, can only be indexed by reducing the living standards of the working population, thus increasing the effects of inflation on them.

GENERAL
Balance of payments figures for August.
West German Government expected to announce reflationary package.

To-day's Events

- COMPANY RESULTS**
British Leyland (half-yearly figures). Burrell OH Co. (half-yearly figures). Fairbairn Lawson Orchestra, conductor Edo de Waart, perform works by...
- COMPANY MEETINGS**
Elliott (B.), Savoy Hotel, W.C. 12.15. Hampton Gold Mining, Charterred Insurance Institute, Aldersbury, E.C. 12. Howden Group, Glasgow, 12. Incheape, 14-20 St. Mary Ate, E.C. 12. International Timber, Tower Hotel, E. 12.
- OPERA**
English National Opera production of The Barber of Seville, Coliseum Theatre, W.C.2, 7.30 pm.
- BALLET**
Royal Ballet dance Concerto Barocco, Prodigal Son, and The Four Temperaments, Sadler's Wells Theatre, E.C.1, 7.30 pm.
- MUSIC**
Royal Air Band commemerate Battle of Britain, St. Paul's Cathedral steps, noon 40-2 pm. Henry Wood Promenade Concerts: Rotterdam Philharmonic Orchestra, conductor Edo de Waart, perform works by...
- SPORT**
Soccer: European Cup: Celtic v. Juventus. Each (Luxembourg). Cup Winners' Cup: Cardiff v. Austria Wien. Coleraine v. Lokomotiv Leipzig (East Germany). Rangers v. Twente Enschede (Holland). UEFA Cup: Bohemians v. Newcastle. Dundee United v. KB Copenhagen; Manchester City v. Widzew Lodz (Poland). Anglo-Scottish Cup: Hibernian v. Blackburn.

Indexation of pensions
From Mr. J. A. W. McLeod.
Sir,—As managing pension funds is my business I read with interest your special supplement on this subject (September 8), and particularly the article "Effects of inflation," and indexation of pensions.

A measure of performance
From the Managing Director, Overland Freight Forwarders.
Sir,—I read with interest the Economic Viewpoint "North Sea Forecasts: too bad to be true," by Anthony Harris (September 8) and agree with much of what he wrote. However, theoretical objectives are so often overridden by practical application (or lack of it).

Towards a State Bank
From the Chairman, NSB Glasgow Branch, Society of Civil and Public Servants.
Sir,—Your correspondent M. J. Wildman of National Giro (September 6) displays a sad lack of understanding of certain aspects of human relations, trade union ethics and national savings.

Where to reflate
From Mr. A. Bhat.
Sir,—In all the discussion that on possible reflation of the U.K. economy, it has been suggested that the reflation, whenever it takes place, would take the form of a cut in value-added and/or income tax.

ies of market
Gerard J. Dummett.
A debate on the fate next incomes policy ties only too clearly corporate State rules, at that.

Year the figure will be well above one million!
Mr. Wildman states that "NSB has never been able to make proper use of its deposits." For the record NSB deposits are invested entirely in publicly traded fixed securities in accordance with the wishes of Parliament. What is more, those investments have been managed so successfully that the NSB pays very competitive rates of interest to its depositors.

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The Aston Martin V8 is the result of rare skills and 55 years of unique experience. From the men who design and specify to standards most would find it impossible to attain, to the team who hand-build each car under the guidance of an individual craftsman engineer, everyone at Aston Martin is dedicated to one end. That is the production of a motor car which is as near perfect as possible.

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St. Peter Post Garages Ltd., Five Du Pits, St. Peter Port, Guernsey GY. Telephone: 0481 24251.
Carm. Motor Garage Company, (Luton) Ltd., Thurmill, Luton, Bedfordshire, Bedfordshire. Telephone: 0525 20157.
Arnold G. Wilson, Regent Street, Leeds LS2 7DP. Telephone: 0532 36966.
Moume Motors Ltd., Stratford Lodge, Ring Green Road, Carlisle, Co. Down NI. Telephone: 0264 876279.

Aston Martin Lagonda (1973) Limited Newport Pagnell, Buckinghamshire MK16 9AN. Telephone: Newport Pagnell 61 0520 (12 Lines)

HOME NEWS

Groups can cut £1m. BR spends £67m. on freight

BY DAFTER, ENERGY CORRESPONDENT. CONTROL of energy use hand-in-hand with investment in new plant and equipment.

Dr. Cunningham thought that overseas industries which did not have access to high levels of energy efficiency...

BY JAMES McDONALD

BRITISH RAIL is spending £67m. to expand its network of air-braced "wagon-load" trains in a bid to win more lorry-size loads from road hauliers.

Mr. Peter Parker, chairman of British Rail yesterday introduced the service under the name of "Speedlink".

Speedlink has been developed for customers who want "less than trainload" service to complement the flow of bulk materials in trainloads between private sidings which represents Railfreight's main strength.

for Speedlink in addition to new vehicles planned for other Railfreight operations.

The conference train will travel to 30 towns and cities. Industrialists and local authority planners will be invited to attend film presentations.

Speedlink trains, unlike previous wagonload services, do not get shunted in marshalling yards during their journey.

Mr. Parker said: "This new commitment of capital is a sure sign of the nation's confidence in the railway's ability to fulfil a central role in the recovery of our economy."

The heavy lorry had a financial advantage over rail for lorryloads at the moment, "but I would expect our carryings to increase significantly once fair terms of competition have been set by the Government as promised in the recent Transport White Paper."

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Mr. Peter Parker, chairman of British Rail, launches Speedlink.

ONEY MARKET

moderate assistance

of England Minimum Rate 6 1/2 per cent. September 9, 1977.

net take up of Treasury bills. There was also a very slight rise in the note circulation.

most of the day's business was seen. Mid-afternoon saw the rate up to 6 per cent., and with a few establishments short at the end.

Short-term fixed period interest rates showed a generally easier tendency with the three-month Sterling Certificate of deposits yielding 6 1/2 per cent. from 6 1/8 per cent.

Rates in the table below are nominal in some cases.

Table with columns: Sterling Certificate of deposits, Interbank, Loan Authority deposits, Loan Authority deposits, Finance House Deposits, Company Deposits, Treasury Bills, Treasury Bills, Prime Bank Bills, Prime Bank Bills.

mortgages and finance houses were days notice, others seven days. Fixed rate three years 9 1/2 per cent. four years 10 1/2 per cent. five years 11 1/2 per cent. Bank bill rates in table are for prime paper.

YACHTING BY SAM VITE

Ideal conditions for Courageous in America's Cup race

THE WEATHER seems to be specially ordered for the American defender, Courageous, as it went out to contest the first race of the America's Cup off Newport, R.I., yesterday, against the challenger, Australia.

The brisk south-easterly which had stirred up the waters of the 244 miles course during the morning, eased around noon to a gentle blow.

Monday, the leaders of the two camps avoided making any pre-race weather forecasts.

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BSR LIMITED

Interim Report

The unaudited results for the Group for the six months to 22 July, 1977, together with the comparative figures for the first half of 1976 are as follows

Table with columns: 1977, 1976. Rows: TURNOVER, TRADING PROFIT, TAXATION, PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS, INTERIM DIVIDEND ABSORBS.

PROSPECTS

Though orders for record changer mechanisms remain reasonably strong from the U.S.A., demand from the United Kingdom and the other overseas markets where economies show little or no growth is much less than this time last year.

INTERIM DIVIDEND

The Directors have declared an interim dividend of 1.2653p (1976: 0.6218p) per share on the ordinary share capital.

INVEST IN 50,000 BETTER TOMORROWS!!

50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. Japanese Yen 20,000,000,000. 7% Japanese Yen Bonds of 1977 - Seventh Series. Due August 19, 1992. Issue Price 99.75%.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. Japanese Yen 20,000,000,000. 6 1/4% Yen Bonds of 1977, due August 15, 1984. Daiwa Securities Co. Ltd., S.G. Warburg & Co. Ltd., Nomura Europe N.V., The Nikko Securities Co., Yamaichi International, The Bank of Tokyo, IBJ International Limited, Nippon European Bank S.A.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Speculation over VW financing

BY ADRIAN DICKS BONN Sept. 13. VOLKSWAGEN TODAY became the object of intense buying interest on the Frankfurt Stock Exchange...

FUGIT suspended on bid hopes

By Richard Rolfe JOHANNESBURG, Sept. 13. SHARES IN First Union and General Investment Trust (FUGIT) were suspended...

FRENCH NEWS

Bourse watchdog bites

THE FRENCH Bourse's watchdog committee has decided to call in the allegations that the former subsidiary in France of the Swedish telecommunications company Ericsson...

Lip workers battle on

THE WORKERS of the famous Lip watch-making factory, which was declared bankrupt last year and which was ordered to go into liquidation...

Dollar sector lower again

THE DOLLAR SECTOR of the Eurobond market continued to fall yesterday, the third day of the lower market...

Ennia's earnings growth

BY MICHAEL VAN OS AMSTERDAM, Sept. 13. ENNIA, THE last of Holland's four insurance companies to publish its half-year results, reported a net profit increase of 21 per cent...

Atlas Copco deal off

BY JOHN WALKER STOCKHOLM, Sept. 13. NEGOTIATIONS BETWEEN Atlas Copco, the Swedish compressed air equipment manufacturer...

Italsider seeks financial aid

BY PAUL BETTS ROME, Sept. 13. ITALSIDER, THE troubled steel company controlled by the Italian state holding, Istituto per la Riconversione Industriale (IRI)...

Comeng profit increases

BY JAMES FORTH SYDNEY, Sept. 13. COMENG Holdings, major roll stock manufacturer and near neighbour, has raised dividend...

Perlmoozer Zementwerke

A NET PROFIT of Sch.41m. (Sch.34m.) in 1976 is reported by Perlmoozer Zementwerke AG...

Commerzbank is now operating a full-service branch in Tokyo. Commerzbank, the first German bank to open a representative office in Japan...

AMERICAN NEWS New disclosure rules BY STEWART FLEMING NEW YORK, Sept. 13. THE SECURITIES and Exchange Commission has laid down new rules...

ASHLAND tax agreement over Corco deal ASHLAND Oil said it and the Government of Puerto Rico have agreed in principle on various tax issues...

Mitsui OSK lines MITSUI O.S.K. Lines said that it will not pay a dividend to stockholders in the half-year ending Sept. 30...

Morgan Stanley plans THE COMBINATION of Shuman Agency and Company with Morgan Stanley and Company agreed to in principle on July 12...

Galaxy agreement off GALAXY OIL Company said it ended its preliminary agreement to be acquired by the Natomas Company...

Clydesdale Bank BASE RATE announces that with effect from 14th September 1977 its Base Rate for lending is being reduced from 8% to 7% per annum.

British Mohair Spinners Ltd INTERIM RESULTS The unaudited results of British Mohair Spinners Limited for the six months ended 30 June 1977...

INTERNATIONAL FINANCIAL AND COMPANY NEWS

FN smooths loan financing path

FFREY BROWN
The Nationale Herstal, giant small arms maker, recently won a massive contract to assemble for the F-16 fighter plane...

Renown first half

RENOVN INC. consolidated net income was \$8.89bn for the first half ended June 30, Reuter reports from Tokyo...

itch crack down on investment houses

CHAEI VAN OS AMSTERDAM, Sept. 13.
UTCH PARLIAMENT ended of the book year and no vote for approval of a draft law...

Tunisia comes to the market

EUROCREDITS
TUNISIA is tapping the euro-markets for the first time and raising \$100m over seven years...

No holding Guetersloh giant

BERTELSMANN
THERE SEEMS to be no holding through IFI in 1974 for a sum believed to be about \$70m...

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRAIGHTS, D-MARK BONDS, CONVERTIBLES), country, and price/offer details.

Highveld meets sales problem

THE ANGLo AMERICAN group's Highveld Steel and Vanadium reports difficulty in marketing all products during the year to June 30...

FELS up 80% at halfway

FAR EAST LEVINGTON Shipbuilding (FELS), one of Singapore's major oil rig builders, has chalked up a surprising 80.2 per cent increase in pre-tax profit...

Marui profits forecast

MARUI COMPANY, Japan's leading instalment sales chain, announced yesterday that its July 30 half-year net profit rose to ¥3,912bn, up 16.5 per cent...

New camera from Konishiroku Photo

KONISHIROKU PHOTO Industry Company said that it has developed a camera, the Konica C35AF, which focuses automatically...

Nippon Fire in NY

NIPPON FIRE AND Marine Insurance Company of Japan said that its U.S. unit has been licensed to write all lines of casualty-property insurance...

Wearne Bros. shares taken

SOME 68 per cent of the 6.37m shares in Wearne Brothers offered by the Wearne Family through its investment company, Western Overseas, have been taken up...

Esso AG plans

ESSO AG Managing Board member Thomas Kohlmorgen 1.5m shares, or 3.3 per cent of said he does not rule out a total equity of Wearne closure of part of the company's Brothers.

Advertisement for Associated Japanese Bank (International) Limited, featuring the 'ajb' logo and details of services and shareholders.

Advertisement for EMPRESA NACIONAL SIDERURGICA S.A. - ENSIDESA - offering a US \$55,000,000 MEDIUM TERM LOAN, managed by London Multinational Bank Limited.

Advertisement for LONDON MULTINATIONAL BANK LIMITED, listing various services and branches.

Vertical advertisement on the left edge of the page, partially obscured, mentioning 'Dollar' and 'lower'.

STREET-OVERSEAS MARKETS TO RISE HIGH EXCHANGE GOLD MARKET Sterling strong

BY OUR WALL STREET CORRESPONDENT

WITH TRADE restricted by a 531 on news that merger talks... Jewish holiday, Wall Street stocks with Raytheon, 511 up at \$311.

TUESDAY'S ACTIVE STOCKS

Table listing active stock prices and volume for Tuesday, September 13, 1977.

OTHER MARKETS

Canada mixed

A mixed performance occurred on Canadian Stock Markets yesterday in moderate activity.

Indices

NEW YORK DOW JONES index table showing price, change, and volume for various market indices.

STANDARD AND POORS index table showing price, change, and volume for various market indices.

NEW YORK, Sept. 13

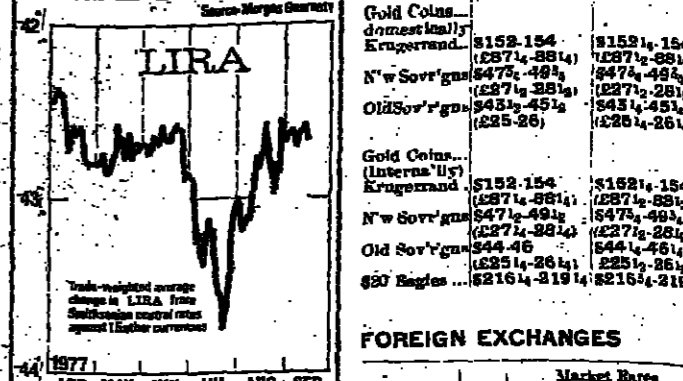
PARIS—Market strengthened over a broad front in active trading... rose DM3 to 188 on speculation of a dividend and capital increase.

Y.S.E. ALL COMMON Stocks table listing prices and changes for various international markets.

NEW YORK, Sept. 13

and there was sufficient selling to bring the market down for the year... rose 72.92, Banco Zagorazo rose 9 points to 365, Dragages 8 to 312.

GERMANY Stocks table listing prices and changes for various German market indices.



CURRENCY RATES

Table showing currency exchange rates for various international currencies.

FOREIGN EXCHANGES

Table showing foreign exchange rates for various international currencies.

EXCHANGE CROSS-RATES

Table showing cross-rates between major international currencies.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits.

OVERSEAS SHARE INFORMATION

Table listing overseas share information for various companies, including stock prices and dividends.

Table listing overseas share information for various companies, including stock prices and dividends.

NEW YORK

Table listing share information for various companies in the New York market.

AMSTERDAM

Table listing share information for various companies in the Amsterdam market.

Protects The work

Catering Equipment

Producers of catering equipment are feeling well satisfied with their recent performance. U.K. companies achieved an increase of 30 per cent. in total sales and much of this was due to the success of a big overseas marketing effort.

THE best indication of the U.K. catering industry is the one provided by members of the Catering Equipment Manufacturers' Association (CEMA). This organisation represents the large and many smaller manufacturers. Their total sales were up some 30 per cent. in 1976, from the £58.5m. for 1975. The indications are that the rate of increase in volume is in value. The picture might have been rather less impressive if the U.K. catering industry had not made a big selling effort. For in its latest report it says that its catering companies were in obtaining import orders in a difficult time. It is the bigger which actually go out in export orders, there is a spin-off for the industry. Companies attempt to produce a range of equipment instead of sticking to a few that they can do well in. Overseas contracts complete catering equipment and those which win them turn to other U.K. sales for some of the take up the complete sales by the U.K. last year reached

£113m., according to CEMA, also more than 30 per cent. up on the £85m. for 1975. And exports therefore represented 15 per cent. of the industry's turnover. The main competition internationally comes from the Americans and the Italians and from West Germany and France to a lesser extent. The manufacturers seem fairly confident they can keep up the good work. Glynwed said recently, for example, that overseas sales for its Falcon Catering Equipment "look extremely encouraging." It is difficult to balance the picture by producing import statistics. These figures are simply not isolated by the Department of Trade although CEMA has been pressing for this to be changed. One indication, however, is that the Italian-owned Zoppas business, the major importer, has a turnover of around £1m. a year. CEMA has 60 members, many of them small, independent companies with sales of anything between £1m. and £2.5m. annually.

Subsidiaries However, the major manufacturers tend to be subsidiaries of public companies. Thorn, for instance, owns three catering equipment concerns in James Stott and Co. (Engineers), Becham and Sons and Cryptor Peerless. Tube Investments has rationalised its catering equipment companies—as it has rationalised other divisions—and has

weided the previous three or four separate businesses into TI Catering Equipment now based in Leeds. Glynwed, as previously mentioned, owns Falcon Catering Equipment and is also represented in a different part of the market by the sink manufacturer, Pauls. There is another amalgamation of companies in the catering equipment division of

Charter Consolidated. Four companies have been brought together and are now operating as Heatrae. Charter Consolidated's satisfaction with this business was to some extent reflected in the recent £12.7m. acquisition of MK Refrigeration which makes bar cooling equipment, commercial refrigeration units and drinks dispensing equipment and thus fits in quite neatly with Heatrae. Another public company with substantial catering equipment interests is UKO International, formerly known as United Kingdom Optical. Starting with W. M. Still and Sons, it went on to develop the Still group

and more sophisticated products like large cold rooms and refrigerated cabinets for storage. Then there is all kinds of cooking equipment, ranging from conventional cookers, ovens and fryers to the more modern convection ovens and high-pressure steamers. For self-service catering, serving equipment is required, including hotcupboards, refrigerated units and bain maries. The cost of this equipment can range from £200 for a separate replacement item, to £200,000 for a total kitchen and serving installation. These larger contracts are fairly rare but there are no more than ten

U.K. companies which are willing to take responsibility for the design and installation of a total system—of whatever size. The main material used for catering equipment today is stainless steel. The cost of stainless steel has risen very quickly from £300 to £1,000 a tonne and CEMA says that on average it accounts for 20 per cent. of the cost of catering equipment. A further 40 per cent. reflects labour costs leaving 40 per cent. for the other materials and costs. These figures were agreed with some major customers recently when CEMA attempted to counter some of the damaging effects of inflation on the industry. Increases in costs can be quite severe between the award of a contract and delivery of the finished product and CEMA has worked out some indices by which these changes in costs can be measured. Of course, like customers in most industries, those buying catering equipment would rather stick to fixed-price contracts. But the industry has

been able to resist this to a great extent because in spite of the recession it has not been particularly short of orders. The latest catering trends survey from the Hotel and Catering "Little Noddy," published in June showed that expenditure on "eating out" has not only kept pace with inflation but actually outpaced it. So the catering retailers are not hard up as they once feared they might become. And apart from new catering establishments, the equipment makers can count on considerable business from replacement and refurbishing of kitchens and serveries, something which continues in spite of recession and in spite of the fact that most items of catering equipment are built to have a useful life of at least ten years. In recent years, too, the authorities appear to have been enforcing the hygiene regulations more rigorously and this has had an impact—one London hotel was recently given the "thumbs down" by the hygiene inspectors—and immediately closed its kitchens for a complete refurbishing, for example. There is not much of a push for caterers to replace existing equipment because new technology has been introduced. Mr. Adam Veitch, chairman of CEMA and managing director of Smith and Wellwood (GB) maintains: "The nature of movement in this industry is evolution rather than revolution. We tend to make improvements to existing products rather than produce dramatic new ones." The constant search is to make products more hygienic and to cut down the energy they consume without impairing their performance. Yet, in the words of one satisfied catering customer: "The U.K. equipment makers respond readily to any drive by customers to produce new equipment for specific jobs."

Effort is rewarded

By Kenneth Gooding, Industrial Correspondent

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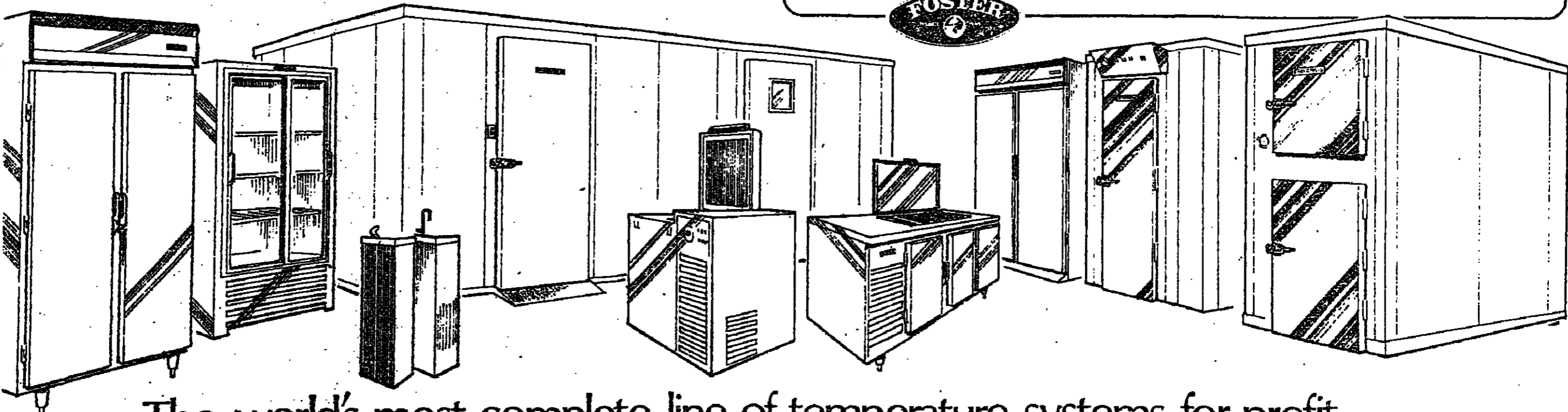
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CATERING EQUIPMENT II

Hygiene requirements



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- Steaming and Roasting Ovens etc.

The Light Equipment and Utensils Division supplies:

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- Purifiers, Saver, Equipment

Conveyor Catering Specialised Catering Aids include:

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KITCHEN AND FOOD SERVICE ENGINEERS

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IT IS the user not the manufacturer of catering equipment who is behind the times—and often outside the law—on the subject of hygiene. So speaks the catering equipment industry with obvious bias but some justification—enough certainly to give substance to what could read like a presumptuous generalisation.

Through CEMA—the Catering Equipment Manufacturers' Association, the industry mouthpiece—the major manufacturing companies like Thorn, Tube Investments, Glynwed and UKO International argue that in recent years they have achieved near miracles of standards of cleanliness and that the battle for still greater precision in matters of hygiene continues unabated. The gap in effort and achievement between the caterers and those that supply them with labour saving devices has, they say, widened to a gulf of near yawning proportions.

If all this sounds a trifle one-sided it should be borne in mind that catering attitudes to standards of hygiene are changing, helped along by the introduction of the Foods and Drugs (Control of Food Premises) Act of 1978. Adverse publicity has also been a pressure point.

In effect the new Act gives local authorities the power to apply for an emergency order in respect of dirty food premises to be closed until the dangers are removed and the premises in question brought up to an acceptable standard of hygiene.

New developments in interpretation of hygiene laws mean that staff as well as owners—and this is a crucial addition to the new legislation—can be prosecuted for failing to maintain a required standard of cleanliness. But many people claim that there is still a long way to go before the U.K. has a cohesive code of practice in matters of catering hygiene.

Many observers in the catering equipment industry point to the way the U.K. compares unfavourably on matters of hygiene with the U.S. where a body called the National Sanitation Foundation has been in operation since 1944.

Towards the end of the Second World War a small group of American industrial and public health leaders realised that more solutions to modern sanitation problems affecting industry and public health could be developed through mutual understanding and co-operative action than through ordinances, inspection and law enforcement. As an example of the health differ-

ences in catering between the U.K. and the U.S. one only has to look at the amount of stainless steel used in catering equipment. According to the British Steel Corporation, the U.S. uses roughly 2½ times as much stainless steel on a per capita basis in catering equipment than is used in this country.

By and large, catering equipment can be broken down into four simple classifications—storage equipment, preparation equipment, serving equipment and cooking equipment. The first category includes refrigerators while devices like peelers, washers and cutters come into the area of preparation. In all four categories the manufacturers depend heavily on the use of stainless steel.

Cleaning

One of the most hygienic and easily cleaned materials known to man, stainless steel surfaces are non-porous and are therefore immune to bacteria. The metal is non-toxic and will not impart odour, colour or taste into food—meeting, incidentally, all the most recent draft EEC directives on the subject of catering hygiene. At the same time stainless steel consists of more than a superficial protective coating and thus does not chip, graze or dent—and does not lose its corrosive resistance even after years of service.

Equipment manufacturers like Sissons, a private concern which has a major stake in the U.K. sink unit market, is clearly dependent on stainless steel, while other private organisations like Imperial Machine (Peelers) and Oliver Tom's Catering—which is big in fish fryers—also use a great deal of the metal.

Four years ago the British Steel Corporation launched its Clean Kitchen Award scheme because of "our concern at the appalling conditions that could be found in some of Britain's catering establishments." The award scheme was founded in conjunction with the Egon Ronay organisation and since its inception the scheme has awarded 413 plaques and rejected 211 as "not meeting the very high standard which we set."

Under the Award scheme, environmental health officers are employed to inspect each of the applicants before awards are made. Re-inspections take place at frequent intervals and plaques are withdrawn should a catering establishment fail to maintain its original standard.

The scheme is a serious attempt to raise standards of hygiene in the catering world by giving commercial kitchens

with first class equipment, that the general construction and operation of the kitchen—notably in the areas of storage and waste disposal—if of a high standard of hygiene.

One of the bigger catering equipment companies, UKO International which used to be known as U.K. Optical operate an unusual service for caterers which naturally lends itself to greater hygiene. The company operates what it calls a tea and coffee plan under the brand name of Cory. The service operates on the basis of UKO installing tea and coffee (or both) machines in bars, restaurants and offices.

The installation is made free of charge but recipients undertake to buy their requisite raw materials—tea, coffee, milk—from the Cory plan for a specified period. The return on greater hygiene is to depreciate the free installation of the beverage making equipment over something like three to four years. The system has taken UKO directly into competition with the vending machine industry—at the very top end of the market, where efficiency of service and standards of hygiene are an all-important adjunct to convenience of operation.

Jeffrey Brown

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says Peggy Huber of *The Perseverance*, Wraybury.

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Changing technology

THE ACTUAL system of preparing food by heat-cooking wife, at a time when most as we know it—has remained basically unchanged for centuries. New technology therefore, tends to affect certain catering sectors more radically than others, with innovation rather than revolution the order of the day.

Although "eating out" is big business with some 23m. meals or snacks served weekly outside the home, a lack of detailed market research, helped perhaps by the fiercely independent nature of most caterers, tends to inhibit equipment development. Members of the Catering Equipment Manufacturers' Association are often criticised by caterers for failing to innovate. They reply that caterers ought to tell them more clearly about the new equipment they require. Despite this lack of contact, today's competitive equipment market appears to hinder development, which can be wrongly regarded as a costly overhead. Many new developments, such as cook/chill have been developed abroad, rather than as a result of research in the U.K.

Of course, High Street restaurants, pubs and cafés serving some 7m. meals a week, are scarcely interested in the "latest" item of technology. Oliver Tom's Cheffaire, a regeneration of frozen foods. It is less and rating assessments tend to be seen to be more important, whereas the rising costs of new equipment has stimulated a thriving second hand market. New technology often arrives from outside the industry. refrigerator, for simple re-heating Marks and Spencers has successfully developed the chilled food Cold Chain system with

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Less spectacular innovation by Le include smaller forced air convection ovens, such as the St in "Convectomat" Junior and the "latest" item of technology. Oliver Tom's Cheffaire, a regeneration of frozen foods. It is less and rating assessments tend to be seen to be more important, whereas the rising costs of new equipment has stimulated a thriving second hand market. New technology often arrives from outside the industry. refrigerator, for simple re-heating Marks and Spencers has successfully developed the chilled food Cold Chain system with

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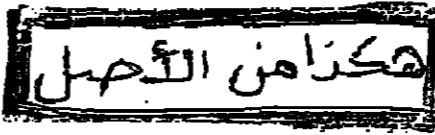
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CATERING EQUIPMENT III



The 'fast food' business

part of all the efforts of the fish and chip industry is going on at a great pace to solve this problem. Whatever the particular white fish involved, the equipment used in the fish and chip shop in Britain will remain more or less of the same type, fryers, warmer and ancillary items like steam heaters for the (some-times "mushy") peas; spits or fryers for chicken and so on. Although the fish and chip shop equipment might appear to have remained more or less the same through the years, there have, in fact, been significant changes. The coming of infra red heating transformed the warming side of the process for example. Then most fryers are fuelled by gas and the Gas Council's more stringent regulations about such things as flame failure devices have forced some changes on the manufacturers. New hygiene regulations have also had an impact. And to-day nearly every fryer must include a forced extraction unit. These not only take away the cooking fumes but also empty the shop itself of the small of frying fish. To achieve this, large-sized motors and big fans are fitted, of a kind not required on any other type of equipment. So fish and chip equipment is very specialised and is custom-built for the individual retailer — custom built around standard units that is.

The manufacturers of fish and chip shop equipment are represented by the National Association of Restaurant Engineers which has 17 members who can all supply a complete range — evidence of the competition in this part of the catering equipment market. There is, however, no importation of this type of equipment because the Continental manufacturers concentrate on the smaller fryers suitable for ordinary catering establishments but not fish and chip shops.

The cost of a small unit is around £2,500 but this can rise to £10,000 for big ones. And these days it is the larger equip-

ment which is in demand. Although there were up to 16,000 fish and chip shops in Britain just a few years ago, the fact that there are now only 10,000 to 11,000 is not as bad as it might seem. For, according to Mr. Harry Slattery, chairman of NARE, it has been the smaller corner shops which have closed down and those which have been opening up are big ones.

In the catering business a "fast food" establishment is understood to be a place which offers simple dishes either to be eaten on the premises or to be taken away. Steak bars do not qualify, for example.

The biggest single influence in the U.K.'s fast food market outside the fish and chip shop has been Wimpy International, a franchise operation built up by Lyons but recently sold to United Biscuits. Apart from Wimpy bars there are also around 120 Golden Egg restaurants and nearly 100 Bake 'n Take take-away establishments in the Wimpy International franchise operation.

There are about 620 Wimpy bars which make it by far the largest fast food chain in Britain, approached in numbers only by Associated British Foods' "Lite Bite" outlets which are usually attached to bread shops.

The equipment used in the Wimpy bars is an important part of the overall concept — that of having a simple menu involving only simple tasks for the staff to perform. (Originally the idea was that all that would be needed was a grill for the hamburger and a toaster for the bun. But the British public's demand for chips with everything meant that chip fryers soon had to be added.)

The equipment used in the average Wimpy bar is not expensive, costing something in the region of £4,000, and the important bits—the grill and the toaster—are supplied free as part of the overall franchise arrangement by Wimpy International.

Compare this with the £120,000 McDonald's is reputed to have spent on equipment for its Haymarket, London, branch

One reason, of course, is that the average McDonald's is about ten times the size of the average Wimpy bar. The Wimpy bar has from around 75 seats up to about 160 in some city centre sites.

In the larger establishments there might be a case for using more expensive equipment to cut labour costs. But for the small ones the prime concern is getting equipment which uses fuel efficiently.

McDonald's, with its emphasis on capital cost rather than labour, is supposed to have computer-controlled fryers at the Haymarket branch while the Burger King chain uses microwave grills, also high in capital cost but labour-saving, in its outlets. These, again, tend to be much larger than the usual Wimpy bar.

Shareholding

In the U.K. McDonald's is operating through a company in which the American group has a 45 per cent. shareholding with Bob Rhea, an American who gave up his franchise in Ohio

to move to Britain, another 45 per cent. while an Englishman, Geoffrey Wade, formerly a director of the Burton tailoring group, has the remaining 10 per cent. Its progress in the U.K. so far has been less than sensational. Started in November 1974, the company still has only eight outlets, although two more are due to open their doors this month. All the branches are in London.

McDonald's was peculiarly coy when asked about the equipment in its outlets. Its spokesman refused to give details because "we don't want the catering Press to read about it." This suggests that something pretty unusual is going on at the McDonald's branches and might explain why its hamburgers taste the way they do.

The slow rate of progress the McDonald's business is making is to some extent related to the problems all fast food concerns have in obtaining the necessary planning permission once the ideal site has been located. Local authorities dislike fast food outlets because of the litter their customers leave behind

and because of the traffic problems they create.

Associated Fisheries, in its attempts to set up, via its own and franchised shops, the "Seafarer" up-market, fish and chip chain was not able to expand as fast as it would have liked because of planning permission problems.

Another major contender in the fast food business is the Kentucky Fried Chicken chain. There have been a number of American fast-food franchise operators who have attempted to set up in Britain without noticeable success. Where now are Orange Julius, Smith's Kitchen and Dunkin' Donuts? But Kentucky Fried Chicken has undeniably hit the right formula and there are now well over 150 KFC establishments in the U.K., most of them operated by large companies acting as multiple franchisees.

However, like hamburger, fried chicken has a long way to go before it comes close to challenging fish and chips as the Briton's first choice in fast food.

Kenneth Gooding

Refrigeration manufacturers obviously also see their advisory role as developing in step with their new equipment. Foster's (U.K.) have long been to the fore of blast freezing schemes, but the higher capital costs for cook/freeze, combined with a much reduced menu range and increased energy costs, are leading the company to develop their new blast chiller ranges. Mr. Michael Dowling, Sales Director commented: "It costs almost 2p to freeze 1 lb of food, and approximately half that to chill the same quantity. It also costs three times as much energy to raise frozen food to eating temperature, as it does chilled equivalents. These cost implications are really considerable in terms of large scale schemes."

A further development in the refrigeration world has been the freeze/thaw cabinet produced to "relax" frozen food before reheating—as opposed to previous methods of reheating direct from frozen. The term "relax" is incidentally an American import in this context!

One innovation which seems not to have fulfilled its early promise is the combined microwave and forced air convection oven. The scope appears limited and their complexity can often overwhelm the traditionally trained Chef.

However, new catering equipment can often become an early victim of the "Overseas Technique". Microwave ovens themselves only recently emerge unscathed from the earlier extravagant claims made on their behalf by eager salesmen.

Microwave "magic" can certainly prove a boon to the smaller operation in order to prime cook, or more important perhaps, reheat. But reheating times are of great importance and inexperienced operators would do well to study textbooks on the subject. Lewis Napleton's newly published

"Microwave Cookbook" instance, contains a wide selection of dishes from loaves thermidor to cauliflower cheese. New Microwave self-serve facilities are also being successfully installed with a combination chilled vended meals which microwave ovens for swift heating. Equiplan Desi Associates have been responsible for some new developments in this sector for industrial and night-shift locations. Night shifts can prove costly catering nightmare, as catering contractors. Reba Catering are utilising an infrared oven system for this purpose at Lesneys, where both small night shift and main meal service is being chilled and regenerated at the respective points of service.

Guarantee

Recent microwave developments include the three-year guarantee from Litton, who produce a time button operation. Another company, Sharp, manufacture a microwave oven with revolving turntable to eliminate the "blind" cooking spots which can lead to uneven re-heat problems. The Phillip "time token system" can also help to simplify operations in a self-help microwave facility.

Self Help Bain Maries is a further example of a re-think in standard catering practice. Tony Walford, managing director of Grand Metropolitan's Midlands Catering, introduced this system successfully in the industrial catering world, where it can help to reduce counter staff and speed service. Food containers are slightly raised and inclined forward to assist customer choice, and presentation is also improved with this method.

A more radical innovation is the self-serve revolving Carousal counter which circulates some 35ft. of service counter in a much reduced floor area. These counters certainly eliminate the boredom associated with normal self-service queues, and as six people can choose their meals simultaneously, service speeds improve too. Carousels were recently installed in the new B.R. Sealink Irish Ferry, where they have reportedly doubled customer meal uptake, and proved extremely popular at the same time.

On both sides of the counter therefore, catering technology stimulates improvements in both quality and menu range—improvements which can also considerably enhance working conditions in one of the U.K.'s largest and most diverse industries.

Harvey Herrmann

Technology

CONTINUED FROM PREVIOUS PAGE

Range

with individual ovens on the Continent, and possess the immediate advantage of allowing the recipient to choose his or her mealtime, while possibly enjoying a better product. Some catering officers appear to agree with this view, while others deplore the lack of daily contact which such technology might introduce, and also dispute the large projected savings involved.

High-speed steam cookers are another recent introduction from overseas, enabling caterers to cook both fresh and frozen vegetables speedily, and therefore serve a much improved and more nutritious meal. These cookers are still relatively expensive when assessed in terms of volume to cost, and initial maintenance problems have been reported on the catering grapevine.

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Change in technology

URGENT

Some timely advice about your catering operation from BSC stainless

Consider the new legislation Where Environmental Health Officers find unhygienic catering conditions, the Manager, the chef and staff may face prosecution as well as the owning company. Already there have been successful prosecutions and kitchen staff heavily fined for their failure to keep premises clean. More summonses are likely.

Consider new cost saving systems Providing catering facilities is a major problem. The costs and difficulties increase every year. Old equipment is expensive to operate. It is awkward and costly to keep clean. The solution is to adopt the latest catering systems and techniques. They can cut operating costs dramatically. British manufacturers can supply you with the very latest catering systems incorporating the most modern techniques and advanced features to cut energy, labour and maintenance costs.

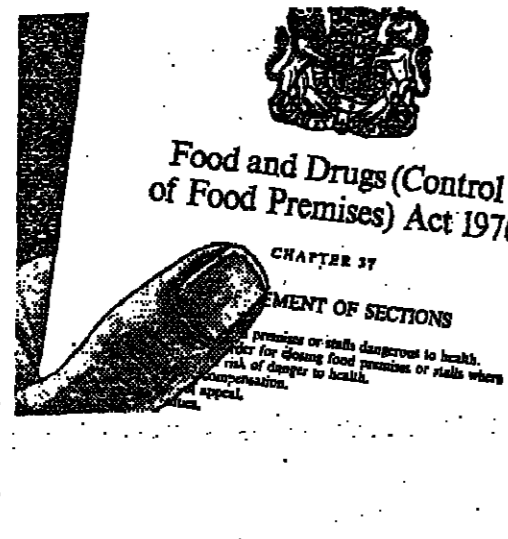
The Food and Drugs (Control of Food Premises) Act also empowers Local Authorities to close down such unhygienic establishments at just 72 hours notice. Recent legislation on Fire and Health and Safety Regulations could also threaten your catering operation.

Catering today is becoming more complex but manufacturers offer consultancy services on catering systems and layouts. So contact your suppliers of catering equipment now for free advice. Some manufacturers also offer loan or leasing schemes to help you invest in an up-to-date system.

Consider stainless steel The days are numbered for many of the cheap, inferior materials traditionally used in kitchens, canteens and restaurants. Stainless steel is now recognised as the optimum material for modern equipment. A stainless steel kitchen can help you and your staff stay on the right side of the law. Stainless steel is by far the preferred material for food-contact services. It is hygienic and easy to clean. It is non-porous, resists the build-up of dirt and provides no harbour for bacteria. It is non-toxic, and does not impart odour, taste or colour to food.

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CATERING EQUIPMENT IV

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ANY DISCUSSION of the distribution services within the catering equipment trades must invariably start with CEDA. Formed barely six years ago the Catering Equipment Distributors' Association has had a remarkable impact on what until recently was an ill-organised and fragmented system of medium to small independent distributors handling the wares of the manufacturing industry. To-day, under the CEDA banner, the major distributors work together much more as a cohesive unit.

There are 39 members within the Association and it is clear that a standard for distribution with the catering equipment trade has now been firmly established. To qualify for membership of CEDA a distributor must offer a complete range of catering products, must maintain an after sales service either of his own functioning or through links with a manufacturer and must offer a design service.

The major members of CEDA take in the Staines Group which is based in Southall and is part of the Hirst and Mallinson conglomerate whose turnover in 1975-76 topped £11.5m. UBM Moffatt (part of the UBM building materials organisation) also figure prominently along with Veates Catering Equipment which is controlled by the Red Bull group. Another member is Scobie and McIntosh which

Costs

Two years ago CEDA launched a liaison committee in conjunction with its counterpart among the companies manufacturing catering equipment. With CEMA (the Catering Equipment Manufacturers Association) the distributors and manufacturers liaison committee regularly discuss their respective and overlapping problems—notably those subjects touching on costs and

Rationalisation within the catering equipment trades is not, however, the sole prerogative

of the distributors themselves. Some of the major manufacturers have recently been taking a hard look at their own systems and uses of distribution. One notable example is TI Catering Equipment's recently formulated marketing strategy which is the fruit of seven years of gradual reorganisation of three formerly separate manufacturing companies into one larger unit. This move, together with related capital investment, cost the company's parent organisation, Tube Investments, something like £1m.

TI Catering Equipment's new marketing strategy is geared to updating and improving customer relations and services, and it centres on a new operation known as Caterlink. Caterlink is in fact the name given to a small nucleus of existing independent distributors within the catering equipment trade. These continue to operate independently of the Tube Investments umbrella but will have their traditional specialist service augmented by the general back-up operation (mostly maintenance) of TI Catering.

Eventually, TI Catering hopes to stop all direct selling through the group sales forces without disturbing, and possibly enhancing, the existing customer rapport. The three companies involved in this internal reorganisation at TI Catering were Jackson Boilers, Palatine Rangenmaster and Top-Choice—

respectively manufacturers of water boilers, medium to heavy duty gas cooking ranges and (at Top-Choice) a light to medium heavy range of back bar grills and cookers which the company supplies, among other customers, to the Lido Bite restaurant chain owned by the Associated British Foods group.

To some extent the formation of Caterlink has tended to overshadow the efforts by TI Catering to sell direct to customers—a system of distribution it still uses where contracts are large and therefore economic such as public sector work (the company does an extensive business with the Admiralty for water boilers for example). This sort of business is large and specialised. TI Catering is adamant that it is simply uneconomic to apply the principles of direct selling to the general range of catering equipment.

Other major manufacturing companies have been updating their distribution systems, especially some of the big American companies who operate very competitively in this country. Hobart's, for instance, which is big in dishwashers and mixers and Foster which has a large stake in the refrigeration market. Among the other operations, the Glynwed group operates through its Falcon catering equipment manufacturing subsidiary while Thorn Electrical has recently been reorganising its operating companies.

One of them, Cripto Peerless, has recently been resisted at Bordsley Green in Birmingham following an overall expenditure of something like £2m, bringing two previously separate manufacturing plants together.

Cripto Peerless distributes most of its product lines through its own sales force which, numbering around 50, is one of the largest for an individual catering equipment company in the Thorn organisation. One of the Thorn manufacturers — ABR Food Machinery — tends to sell directly to the customer by virtue of the size of its products which are mostly too large to be handled by the traditional third-party distribution system.

In contrast, Cripto Peerless needs to "sell" its products in the sense that they tend to be packaged as money and labour saving devices. So a fair amount of salesman back up knowledge is needed in describing the increased efficiency that such machines can bring. To sell a fish fryer a potato peeling machine it is often necessary for a salesman to delicately point out that existing methods of peeling are outdated.

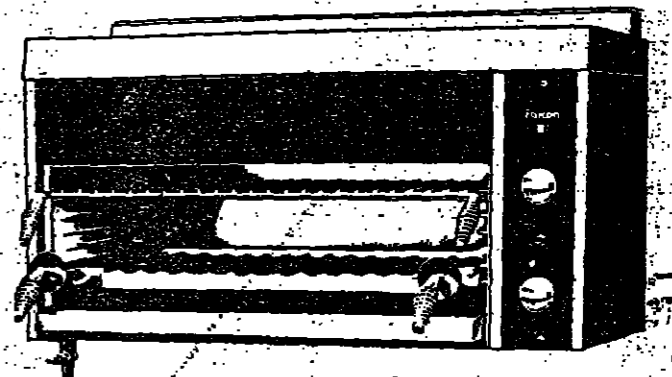
Exports have been the subject of a major sales push at Cripto Peerless in recent years and the company has managed to increase the ratio of its turnover over sold overseas to more than the traditional a third.

Jeffrey Brown

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Overseas markets

LIKE OTHER industries, British catering equipment manufacturers have recently sought to boost their turnover by concentrating on export markets while domestic demand has been dampened by economic conditions. However, the fragmented nature of the industry has made this a risky business for some.

While it is clear that there are great opportunities in a number of overseas markets, both traditional and new ones, the expense for a small company to embark on an export drive has been daunting. On the other hand, it has paid off for some.

The future prospects for exports also remain bright, although it has become clear that supplying goods to developing countries in the Middle East and elsewhere is an activity where there are many pitfalls. What has become essential to success is reliability in delivery, product quality and pricing policy.

Although the tendency of these countries to order packages of equipment for new hotels or hospitals is not new, it appears likely that those suppliers best organised to offer a complete service such as this will be most successful in future.

According to figures compiled by the Catering Equipment Manufacturers' Association, roughly one-fifth of equipment sales are for export. In 1975 CEMA members produced goods worth nearly £50m, of which slightly more than £7m was exported. Last year the production figure rose to a value of £51.8m, of which £9.2m was exported. However, this does not take into account equipment bought by U.K. companies for export.

In 1975 the member companies also sold factored goods worth £1.3m. In overseas markets and last year this figure

rose to £2.1m. This reflects the need of suppliers to be able to sell a package deal, buying in other equipment from wherever may be necessary, sometimes from abroad. William Page of Shaftesbury Avenue, London, specialises in this approach. Although the company has experienced difficulties with customers ordering equipment at a late stage for hotels, for example, it has earned a reputation for being able to deliver on time. A recent success was a £100,000 order for the Holiday Inn at Sharjah, Oman, which followed an earlier and promptly delivered order for equipping a floating hotel off Sharjah operated by Holiday Inn.

Major markets for British companies continue to be traditional buyers such as Australia and more recently Nigeria, which tend to order to British specifications, thus discouraging Continental competitors to some extent.

However, the metric requirements in Continental markets and the strength of domestic industries in European countries has prevented the industry from making more than token inroads into these markets. Some countries have also won such a good reputation for certain products, such as French kitchen knives, that competition appears to be valueless. On the other hand Britain has developed a good name for many general kitchen utensils such as pots and pans, ovenware and bar equipment.

There is a question mark over the progress by British companies into metrication, in that it opens the way into the highly competitive EEC market while perhaps creating problems in steady markets. But it is clear that to be successful in the longer term, companies must be able to compete on equal terms. Most companies in the field

have been active in promoting exports abroad in the past year, making use of trade exhibitions such as that held in Paris last year. The next exhibition, to be held in Maske in November, is also expected to attract a strong British contingent.

CEMA has continued to offer considerable assistance for exporters, particularly in the form of trade missions which are sponsored by the British Overseas Trade Board, often in conjunction with Chambers of Commerce.

The association has also been concerned with longer term problems, such as British penetration of European markets and the difficulties posed by technical requirements in countries such as West Germany, which is regarded as particularly tricky in this respect.

Standards

CEMA is a member of the European Federation of Catering Equipment Manufacturers, a body which meets once a year and also has standing committees considering various trade restrictions of a non-tariff nature. These include various European requirements for standards on gas and electrical appliances.

Although much has been done so far, it is clear that uniform standards are some way off and in the meantime British companies selling in Europe will have to conform to local requirements, which can have important cost disadvantages. On the other hand this does have some advantage in that the British market has its own different set of standards and is thus protected to some extent, although these requirements are generally less rigorous. Overall, the level of imports into Britain has so far caused little concern to British manufacturers. Another reason for this

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Both these books were written for managers and designers concerned with the quality and cost of catering services.

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NAME (BLOCK CAPITALS, PLEASE) _____ COMPANY _____

COMPANY ADDRESS _____

PHILIPS
SHOOTS AND FISHING
PHEASANT
OVERSEAS PROPERTY

ARMING AND RAW MATERIALS

eat glut
okes EEC
ld stores

Own Correspondent
is running out of cold
space for its meat sur-

s of pork held in the
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high intervention
of beef this year have
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SHINGTON, Sept. 12.
OTTON production in
forecast at 13,201,500

With the new
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ANT crops cannot be
some areas because of
se, it was warned yes-

disease has built up
the same land was used
crops too often, said

most affected areas were
land and vegetable grow-
of Lincolnshire, East
ent, the South East and
Corwall and the Mid-

Pig prices climb sharply
in autumn buying rush

BY CHRISTOPHER PARKES

SHARPLY RISING demand
for pigs has pushed up the
market price of live pigs in Eng-

And experts at the Meat
and Livestock Commission claim
they could go up as high as 88p

Japan 'dishonoured' sugar deal
BY OUR OWN CORRESPONDENT

AUSTRALIA TO-DAY accused
Japan of having 'dishonoured'
their long-term supply

However, Mr. Anthony said,
the Australian Government
would not intervene in a com-

Swine fever
in Portugal
BY OUR OWN CORRESPONDENT

THE PORTUGUESE Ministry
of Agriculture announced that
35,000 pigs have been destroyed

same level as last year. Prices
in mid-September, 1976 were
52.8p a kilo.

Market experts say slaughter-
ing could fall even further as
farmers begin to rebuild their

More significantly, the average
pig is earning 14 to 15 more for
the farmer than in the last

Mr. John Silkin, Minister
of Agriculture continues to press
his case for changes in the EEC's

However, Mr. Anthony said,
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Swine fever
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Rubber
back at
peaks

By Our Commodities Staff
REPORTS OF increased
Russian buying interest
boosted natural rubber prices

Trade sources in Kuala
Lumpur and Singapore said
they estimate the rubber trade

Australia
exports
more wool
MELBOURNE, Sept. 13.

AUSTRALIAN WOOL exports
rose to 753,696 kilos in the first
11 months of the 1976/77 season

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Exporters formulate
wheat pact plan

BY OUR COMMODITIES STAFF

THE FOUR major wheat-exporting
nations have completed a
draft document which could
result in the U.S., Canada, Aus-

Under that formula, as soon
as prices move near the
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GRAINS SUPPLIES

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BY OUR OWN CORRESPONDENT

to make another commitment,
possibly by raising their reserve
stock acquisition quota.

There is broad agreement with
the U.S. concept of a wide price
corridor with a ceiling on the

A record U.S. corn (maize)
crop this year of 6,992m. bushels
was forecast by the U.S. Department

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HOW TO
CATER
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IN ONE
INSTALL

Japan 'dishonoured' sugar deal
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in Portugal
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MODIFY MARKET REPORTS AND PRICES
METALS

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SILVER

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COCOA

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COFFEE

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ZINC

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BARLEY

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COFFEE

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COFFEE

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US Markets

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COFFEE

MODIFY MARKET REPORTS AND PRICES
COFFEE

Leicester Polytechnic
Professor of Business Finance

SHOOTS AND FISHING

PREASANT SHOOTING

OVERSEAS PROPERTY

ITALY FARM IN TUSCANY

WHEEL INSTITUTE

SONAL

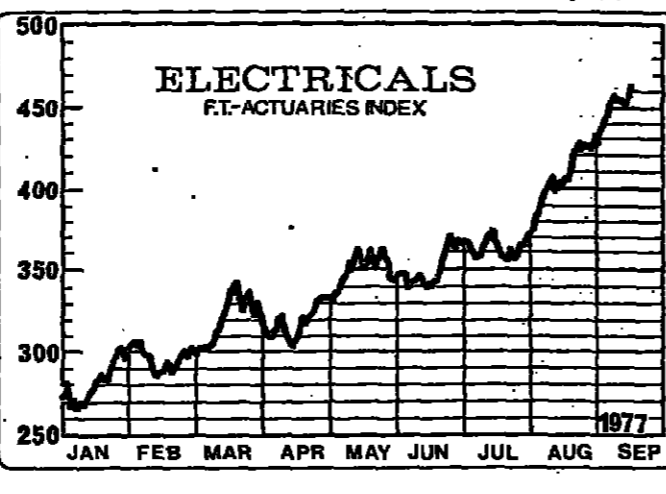
ATIONAL

STOCK EXCHANGE REPORT

British Funds strong again and share index nears record with 11.4 rise to 61-month high of 535.7

Account Dealing Dates... First Declared Last Account Dealings Dates... from overseas, saw prices move ahead in active trading to close at the day's best with rises extending to a point. Gains in the shorts were more modest but this area also enjoyed a fair measure of support and quotations here recorded rises extending to 1/2, Treasury 9 per cent, 1980, improving that amount to 10 3/4.

on the interim results. By way of contrast, profit-taking left Phoenix Timber 8 off at 185p, after 183p. ICI closed 6 up at the day's best of 433p in firm chemicals. Allied Colloids rose 8 to 230p on speculative demand. Stores good late The Store majors saw a continuation of the Brnmer trend which developed in the late August while, in recently issued stocks, Islington 12 1/2 per cent, 1988-87, £10 paid, advanced a point more to 15 and Burnette, 15 per cent, 1987, 250 paid, were a similar amount higher at 88 1/2.



3 up at 144p before being capital it does not already own. suspended at the company's last Friday, Change Wares closed last Monday's recovery to close 5 up at 17p ahead of details of half-yearly figures. In fact, the company later announced their interim figures were a financing scheme. These figures, released to-day, and with these up at 108p, and Sale Times, disclosed that the dividend is to be raised by nearly 50 per cent with consent of the Treasury.

Shares good late The Store majors saw a continuation of the Brnmer trend which developed in the late August while, in recently issued stocks, Islington 12 1/2 per cent, 1988-87, £10 paid, advanced a point more to 15 and Burnette, 15 per cent, 1987, 250 paid, were a similar amount higher at 88 1/2.

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FINANCIAL TIMES STOCK INDICES. Table with columns for various indices and their values as of Sept 14, 1977.

HIGHS AND LOWS S.E. ACTIVITY. Table showing high and low prices for various securities and S.E. activity.

DEALING DATES. Table listing dealing dates for various companies and sectors.

NEW HIGHS (257) and NEW LOWS (6). Lists of securities reaching new highs and lows.

RISES AND FALLS YESTERDAY. Table showing daily price changes for various categories.

Banks rally A vulnerable market on Monday on fears of an erosion in profit margins following the further 1 per cent reduction in leading and deposit rates, the major clearing banks staged a useful rally with the recovery gathering pace in the inter-oculars.

Oils firm Leading Oil firms made a firm showing, but demand was on a fairly small scale with the absence of a seller's market.

Electricals FT-Actuaries Index. A line graph showing the index for electricals from Jan to Sep 1977.

Shares good late The Store majors saw a continuation of the Brnmer trend which developed in the late August while, in recently issued stocks, Islington 12 1/2 per cent, 1988-87, £10 paid, advanced a point more to 15 and Burnette, 15 per cent, 1987, 250 paid, were a similar amount higher at 88 1/2.

FT-Actuaries Share Indices. Large table providing detailed data on equity groups, fixed interest stocks, and active stocks. Includes sub-sections for Equity Groups, Fixed Interest Stocks, and Active Stocks.

\$19,604,000 Leveraged Lease Ship Financing. Biehl Offshore, Inc. (Bareboat Charterer). Smit-Lloyd B.V. (Time Charterer). Warburg Paribas Becker Incorporated.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others with their respective details and performance metrics.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Investments, Kemp-Cooze Management, and others with their respective details and performance metrics.

Table of Base Lending Rates listing various banks and their respective lending rates for different terms and currencies.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance companies, property management firms, and bond funds with their respective details and performance metrics.

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CLIVE INVESTMENTS LIMITED 1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101 Index Guide as at 13th September, 1977 (Base 100 at 14.1.77) Clive Fixed Interest Capital 123.23 Clive Fixed Interest Income 112.88

CORAL INDEX: Close 536-541 INSURANCE BASE RATES Property Growth 8.5% Annuity Assurance 4.5% Address shown under Insurance and Property pages.

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FT SHARE INFORMATION SERVICE

HOTELS-Continued

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change.

Shorts (Lives up to Five Years)

Table of Short-term investments with columns for Name, Price, and % Change.

Five to Fifteen Years

Table of Medium-term investments with columns for Name, Price, and % Change.

Over Fifteen Years

Table of Long-term investments with columns for Name, Price, and % Change.

Undated

Table of Undated investments with columns for Name, Price, and % Change.

INTERNATIONAL BANK

Table of International Bank investments with columns for Name, Price, and % Change.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and % Change.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for Name, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and % Change.

AMERICANS

Table of American stocks with columns for Name, Price, and % Change.

AMERICANS-Continued

Continuation of American stocks table.

CANADIANS

Table of Canadian stocks with columns for Name, Price, and % Change.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and % Change.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Price, and % Change.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and % Change.

AMERICANS

Table of American stocks with columns for Name, Price, and % Change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and % Change.

BUILDING INDUSTRY-Cont.

Continuation of Building Industry table.

DRAPERY AND STORES-Cont.

Continuation of Drapery and Stores table.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics with columns for Name, Price, and % Change.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and % Change.

DRAPERY AND STORES-Cont.

Continuation of Drapery and Stores table.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, and % Change.

ENGINEERING

Table of Engineering with columns for Name, Price, and % Change.

MACHINE TOOLS

Table of Machine Tools with columns for Name, Price, and % Change.

ENGINEERING

Table of Engineering with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and % Change.

ENGINEERING-Continued

Continuation of Engineering table.

HOTELS-Continued

Continuation of Hotels table.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) with columns for Name, Price, and % Change.

INDUSTRIALS

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HOTELS-Continued

Table of Hotels with columns for Name, Price, and % Change.

INDUSTRIALS (Miscel.)

Table of Industrial (Miscellaneous) with columns for Name, Price, and % Change.

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INDUSTRIALS

Table of Industrials with columns for Name, Price, and % Change.

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INDUSTRIALS—Continued

Table of industrial stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

INSURANCE—Continued

Table of insurance stocks including Sun Alliance, Sun Life, Sun Fire, Sun Mutual, Sun Commercial, Sun Industrial.

PROPERTY—Continued

Table of property stocks including Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

TRUSTS—Continued

Table of trusts including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

TRUSTS—Continued

Table of trusts including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including Bentley, Rover, Jaguar, Land Rover, Rover, Bentley, Jaguar, Land Rover.

Commercial Vehicles

Table of commercial vehicle stocks including Leyland, Leyland DAF, Leyland DAF, Leyland DAF, Leyland DAF, Leyland DAF.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair stocks including Harland & Wolff, Harland & Wolff, Harland & Wolff, Harland & Wolff, Harland & Wolff.

SHIPPING

Table of shipping stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

SHOES AND LEATHER

Table of shoe and leather stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

WOLLS

Table of wool stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

OVERSEAS TRADERS

Table of overseas trader stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

TEXTILES

Table of textile stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

SOUTH AFRICANS

Table of South African stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

TEAS

Table of tea stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

RUBBERS AND SISALS

Table of rubber and sisal stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

MISCELLANEOUS

Table of miscellaneous stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

PROPERTY

Table of property stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

TOBACCO

Table of tobacco stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

FAR WEST RAND

Table of far west rand stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

EASTERN RAND

Table of eastern rand stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

CENTRAL RAND

Table of central rand stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

NSURANCE

Table of insurance stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

INDUSTRIALS

Table of industrial stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

TRUSTS

Table of trust stocks including Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex.

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MINES—Continued CENTRAL AFRICAN table.

AUSTRALIAN table.

TINS table.

COPPER table.

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Walker plea to heal Tory split on unions

BY PHILIP RAWSTORNE

MR. PETER WALKER, former Tory Industry Secretary last night warned that divisions in the Conservative Party over industrial relations policy would be "damaging and disastrous".

standing between the Tory Party and the unions. Mr. Walker suggested that the Tory programme needed both Sir Keith's principles and Mr. Prior's practical realities. He put forward an eight-point programme which he claimed would unite the party and be seen by the majority of workers as being fair.

He called for a clearer statement of principle and approach on industrial relations issues. But he added: "It would be a mistake to assume that all that is needed is some stand on principle. The country will want evidence of practical ability to get on with the unions."

Babcock to raise \$35m. with Eurobond issue

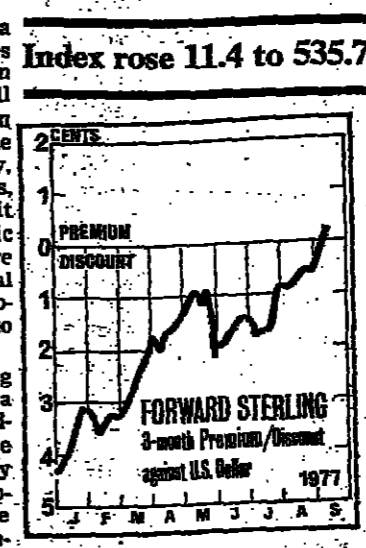
BY MARY CAMPBELL

BABCOCK AND WILCOX, the engineering group, is to issue \$35m. (£20m.) worth of convertible Eurobonds.

The company's shares were suspended yesterday in advance of the new issue announcement which provides the occasion for exemption from the Government's dividend controls. The Treasury has given permission for this year's dividend to total 5.25p, two and a half times last year's figure.

THE LEX COLUMN The return of the forward premium

Forward sterling went to a convincing premium at all dates out to a year yesterday, and in the securities markets the bull market was continued in earnest. This emphasises once again how a depressed economy, a balance of payments surplus, and the consequent slack credit markets provide the classic background to rising share prices.



electrical businesses are short of work. Longer term, Babcock remains confident of improving returns in the U.S. and aggregate orders in hand for nearly a quarter during the months to June. But for the moment the group is no more than holding its own.

Bakers' union leaders to keep up action against employers

BY PAULINE CLARK, LABOUR STAFF

HOPES OF AN early easing in the nation-wide bread shortage were dashed yesterday when union leaders decided not to let up their action against the big three bread-producers.

representing the bakery employers involved in the dispute. Union leaders expressed determination to keep up pressure on the federation after a two-hour executive meeting at their headquarters in Hatfield, Herts.

Bakers, Confectioners and Caterers, representing some 4,000 owners of small independent bakeries not directly involved in the dispute, failed to support the union leaders' approach.

Arthur Andersen plans Swiss move

BY MICHAEL LAFFERTY, CITY STAFF

ARTHUR ANDERSEN, ONE of the largest of the world's "Big Eight" accounting firms, plans to move its international executive office from Chicago to Geneva.

executive office, including Mr. Harvey Kapnick, the chairman, will spend most of their time in the Swiss city. A senior partner in the firm said yesterday a substantial number of staff would be involved in the move.

Babcock & Wilcox

Babcock and Wilcox is following the precedent set by Beecham by combining a convertible Eurobond issue with a share repurchase programme.

Reckitt and Colman

With last year's 57 per cent growth in pre-tax profit and the big push into "wonder drug" area, the market had been talking for some time into believing that Reckitt & Colman was some sort of glamorous growth stock in a way with Beecham et al.

Lahore High Court releases ex-Premier Bhutto on bail

BY SIMON HENDERSON

PARISTANI politics took a new and unpredictable turn here today when the former Prime Minister Mr. Z. A. Bhutto was arrested on September 3 in a murder inquiry, was released on bail by the Lahore High Court.

court was cordoned off by barbed wire and steel-helmeted troops. Police with rifles, riot sticks and tear gas grenades were at every corner. Parked to one side was a water cannon. But during the court appearance and immediately afterwards, there were no disturbances.

Private action Inside the court, a large room with fans to cool the humid heat and decorated in a style reminiscent of Colonial India and Victorian Britain, correspondents and members of the Lahore High Court Bar Association crowded all available seats and the aisles.

'Big chance for oil equipment companies'

LAHORE, Sept. 13.

A WORLDWIDE horizon is open to British oil equipment companies, but they must prove themselves equal to the challenge, Lord Kearton, chairman of the British National Oil Corporation, said yesterday at the opening of the Lahore Europe exhibition in Aberdeen.

Top management and shop floor workers must pull together to make the most of the opportunities were not lost. "The business is there to be earned and we are on the spot," said Lord Kearton on the first day of the four-day show which is expected to attract 15,000 visitors.

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Space project ready to pay off

BY DAVID FISLOCK, SCIENCE EDITOR

A DEMONSTRATION of European industry's ability to compete with the U.S. in commercial use of space was due to begin here later to-night with the launch of the first European communications satellite.

strong moral case for arguing that it was not their responsibility. OTS - an advanced project in certain respects even by U.S. satellite standards - has been built in schedule by the six-nation Mesh group led by Hawker Siddeley Dynamics, now part of British Aerospace.

CAPE KENNEDY, Sept. 13. requirement is to demonstrate that European industry can build long life space systems, of potential interest both to post offices and to Third World nations interested in acquiring communication satellites.

Weather section with U.K. TO-DAY and BUSINESS CENTRES forecasts for various cities.

HOLIDAY RESORTS section with forecasts for various locations.

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